Monday September 14 1998

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Censure and fine in return for full confession could lead US out of crisis

Clinton deal to keep power

Martin Kettle in Washington

THE makings of a compromise solution to the crisis that has engulfed Bill Clinton's presidency since the publication of the Starr report began to emerge in Washington yesterday.

Though far from certain, and not yet formally discussed or agreed, the compromise would involve a formal congressional censure motion against Mr Clinton as well as other punishment, in return for an full presidential confession and the abandonment of Mr Clinton's campaign to clear himself legally of the charges in the report, submitted to Congress on Friday by Kenneth Starr, the special counsel.

The deal, if approved by all sides, would enable Mr Clinton to see out the remainder of his presidential term, though it would keep him under a permanent cloud and with reduced authority until he quits the White House in January 2001.

Mr Clinton is believed to have discussed the possibility of some kind of "plea bargain" with Congress in a 20-minute telephone conversation with the Senate judiciary committee chairman, Senator Orrin Hatch, yesterday.

The suggestions of a compromise came as Washington continued to try to come to terms with the awesome political and constitutional implications of Friday's decision by the House of Representatives to begin formal consideration of 11 Starr accusations against the president.

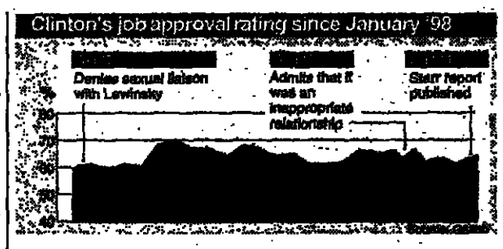
These include perjury, witness tampering and obstruction of justice, allegedly committed in Mr Clinton's efforts to cover up his sexual relationship with a former White House worker, Monica Lewinsky.

In the absence of any agreement to strike a bargain, the White House continued to attack Mr Starr's 445 pages of findings as "a hit-and-run smear campaign", while some Republicans declared that Mr Clinton should face impeachment over the findings.

Following its Friday "pre-buttal" attack before Mr Starr's accusations were published, the White House at the weekend published a line-by-line rebuttal of the independent counsel's actual text.

About three-quarters of Americans have yet to read the Starr report in any detail, poll analysts estimate.

"It is plain that 'sex' is precisely what this 4½-year investigation has boiled down to," the White House's latest 42-page rebuttal said, denying that any misdeed of any substance had been found by the Starr inquiry. But the general tone of Washington's wall-to-wall weekend television network punditry — as well as of a series of new opinion polls — was that a deal is there to be struck, provided all sides want it enough.



Two senior Republicans, whose party controls both houses of Congress, held out the possibility of a solution yesterday. Senator Hatch called on the president to abandon his claim not to have lied under oath in an affidavit he gave earlier this year — in the Paula Jones case — denying sexual relations with Ms Lewsinsky, and in his grand jury evidence in the Lewinsky affair itself.

"Look, it's time for the president to just level with the American people," Mr Hatch said. "Just tell them, look, he made a serious mistake here." The Senate majority leader, Trent Lott, said Mr Clinton was "continuing the very things, I think, that got him in trouble — legal niceties, and trying to explain problems that can't just be dismissed".

But the phrase in Mr Lott's comments that sparked immediate speculation about a compromise deal came when he added: "He may need to come to the Congress and say, you know, how can this be resolved? But if he begins the process with attacks, and says this [Starr report] is just a smear, that doesn't help."

Two of Mr Clinton's former close colleagues said yesterday that they supported a censure-motion compromise. Mr Clinton's former adviser, George Stephanopoulos, said that the way out could be censure plus a fine, as happened to the House of Representatives' Speaker, Newt Gingrich, fined $300,000 (£180,000), over an ethics violation in 1997.

The former labour secretary, Robert Reich, who has a 30-year friendship with Mr Clinton, also called for censure. "There's not going to be impeachment," Mr Reich said. "My presumption is that he's going to be censured. The question is how to get beyond this. There has to be acknowledgment that you can't go around lying."

The emerging interest in censure came as the latest opinion polls showed a desire for some form of severe action against Mr Clinton but reluctance to back impeachment.

The latest Gallup poll for CNN television and USA Today showed 59 per cent support for censure of Mr Clinton with 31 per cent against, and 64 per cent rejecting impeachment, with 30 per cent for. Separate Newsweek and ABC television polls got similar findings. Mr Clinton's job approval ratings as president remained broadly unchanged at 62 per cent in the Gallup poll, after the Starr report.

Inside

Jonathan Freedland takes the pulse of the US after Starr pages 2-3

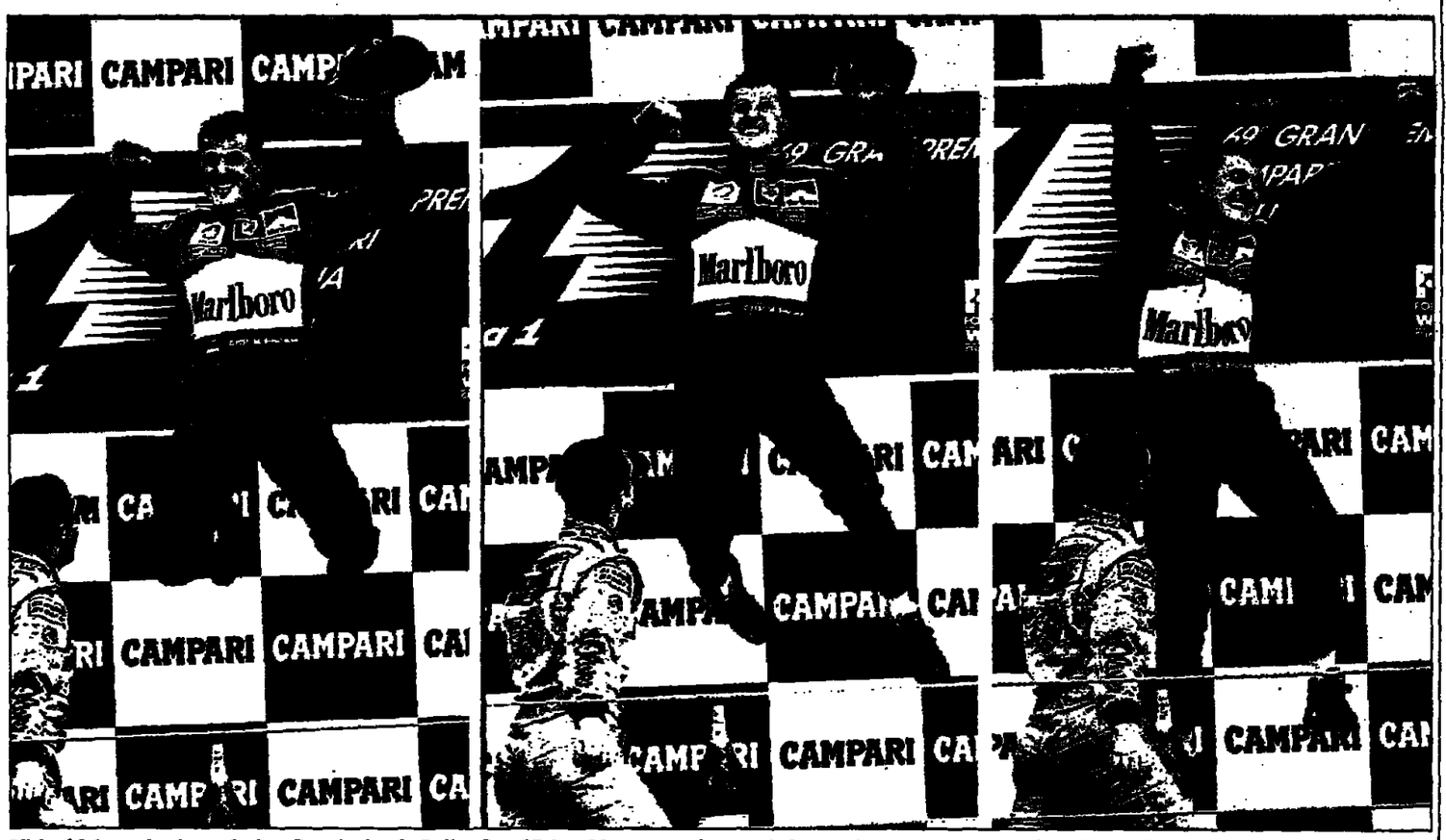
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Extracts from the Starr report can be found on the Guardian's website at: http://world.guardian.co.uk/clintonscandal/starrindex.html

The Starr report in full is at: http://reports.guardian.co.uk/starr

Winning formula



Michael Schumacher jumps for joy after winning the Italian Grand Prix at Monza yesterday, watched by brother Ralph, who finished third Report, Sport, page 24 PHOTOGRAPH: OLIVER MULTHAUP

Rival takeover bid launched for Manchester Utd

Mystery client raises the stakes with '£700m offer' for top club

Roger Cowe and Stuart Millar

RUPERT Murdoch was last night facing growing competition in the battle to buy Manchester United, as new bidders prepared to challenge the £623 million takeover launched last week by BSkyB.

Salomon Smith Barney, the US investment bank, confirmed that it is acting for an unnamed client which is considering an alternative offer — £700 million according to reports — while the City expects several international media and entertainment groups to be ready to pounce.

Speculation is certain to increase if there is any sign that the Sky bid is to be blocked on competition grounds.

A spokeswoman for Salomon said: "We were asked by a client to get information from Manchester United which would be evaluated with a view to making a bid."

She refused to name the company concerned or to comment on the kind of business it is involved in.

The United board, however sceptical, would have a legal duty to consider the possibility of a higher bid.

The emergence of what could become a bidding war for United comes after disquiet over the Sky deal, which would see the dominant sports broadcaster taking over the most powerful club.

If successful, the takeover would give Mr Murdoch a seat on both sides of the table when lucrative domestic and European television rights came up for negotiation over the next two years.

The revelation of the bid sparked a burst of activity by other media companies desperate to prevent Mr Murdoch from establishing an iron grip on football broadcasting rights.

Last Thursday, it emerged that Carlton Communications, which owns the ITV companies Carlton and Central, had launched an attempt to tie up with last year's Premiership champions and FA cup holders, Arsenal. It was also believed to be in talks with Aston Villa on a deal involving screening matches on a pay-per-view basis.

Southampton has announced it is open to offer from media companies and Sony was reported yesterday to be considering a £220 million bid for Newcastle United. The club dismissed the report.

Analysts have predicted that other media groups would challenge BSkyB's takeover of United, even though the bid has been accepted by the United board.

Only Martin Edwards, the soccer club's chief executive, has pledged to stick with the satellite company even if a higher offer is made. Other directors would be free to switch allegiance to an alternative bidder, and would be certain to recommend a higher offer to shareholders.

Mr Edwards owns 14 per cent of the shares, while BSkyB has bought a further 9 per cent. But that means the broadcaster must win more than a quarter of the club's shares if it is to secure victory.

Some United shareholders believe the 240p per share offer undervalues the club.

FDFM, the City fund management company, said last week that it might vote against the takeover because the club's prospects justified a higher price. That calculation is based on the riches to be gained from the planned European Super League, which would attract massive television audiences and transform the clubs' finances.

Yorks strike, Sport, page 15

Mandelson: job losses on way

Seumas Milne

PETER Mandelson, the Trade and Industry Secretary, has warned the Cabinet to brace itself for substantial job losses across industrial Britain, it emerged yesterday.

In a bleak message on the Cabinet "away day" at Chequers last Thursday, he said the global financial turmoil, flat productivity and rising earnings were bound to build pressure on jobs.

The Government would need a co-ordinated programme to help those affected, he told ministers. This should include assistance with job search and retraining, intervention to find buyers for closed plants and long term regeneration efforts.

"Government can't bail out businesses," Mr Mandelson said yesterday. "But we should do everything we can to help the individuals and local communities affected. Government already does a lot, but with greater co-ordination we could achieve more."

Mr Mandelson, who is speaking at the TUC conference on Thursday, conceded at last week's Cabinet get-together that export markets were weakening and more firms were buying in cheaper goods from abroad. The worst impact is expected to be on price-sensitive manufacturing in the Midlands and North-west, with heavy losses in engineering, motor components, clothing and textiles.

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The Clinton crisis

"What I saw and heard was a husband and president who was genuinely and deeply sorry for the pain he had caused."
Congressional Democrat Chet Edwards

'Are we dealing here with sin or with crime?'









Prosecutor Kenneth Starr has produced a 445-page report into President Clinton's behaviour with Monica Lewinsky (top), and allegations by Paula Jones and Gennifer Flowers (below)

THE PRESIDENT: Fight or flight — Kenneth Starr has left 'Slick Willie's' advisers in disarray. **Gary Younge** reports

AS SUPPORT for an increasingly embattled President Clinton went into freefall yesterday, the strategy elaborated by a dwindling number of loyal allies was in disarray.

Caught unawares by the speed with which the independent prosecutor, Kenneth Starr, has produced his report, and with very little political or legal room for manoeuvre, White House advisers are torn between those who think the president can only avoid impeachment by fighting his detractors and those who insist it is time to broker a compromise.

Hardliners are urging Mr Clinton to dig in for a potentially long-haul battle aimed at defeating any congressional attempt to discipline him.

Others support a hasty resolution, in which the president would settle for a congressional resolution of censure.

The various apologies he has repeated over the past few days have been aimed at congressional Democrats who, during a meeting on Wednesday, demanded more contrition as a condition of their support for him in the impending showdown over impeachment.

"It was a meeting extraordinary in the openness and candour of both the president and members of Congress," said Chief Deputy Minority Whip Chet Edwards. "What I saw and heard at the meeting was a husband and president who was genuinely and deeply sorry for the pain he had caused."

Mr Clinton has a lot of work to do with Democrats on Capitol Hill, who feel he has mostly ignored them during his presidency and is now scuppering their chances in November's mid-term congressional elections.

They are angry at him for the strident nature of his televised confession on August 17, but although they want to hear a more emollient tone, they realise that every mention he makes of the affair pushes the issues they want to stress in November off the front pages and news bulletins.

One veteran Clinton adviser said an uncompromising strategy now could pivot quickly into compromise. "Before you cut the deal, you fight. Do I think there's a way for a deal to be cut? Yes. I think you create the right climate for the deal."

But after years of wriggling out of difficult situations, either with semantics ("I did experiment with marijuana but I did not inhale") or by dissembling — as during his partial denial of an affair with Gennifer Flowers — Slick Willie is running out of options.

He is also running out of allies. In the seven months between him first denying the affair with White House intern Monica Lewinsky and when he first confessed it, he lied constantly to almost all of his colleagues, including the vice-president, Al Gore, and his wife.

They put their own reputations on the line for him, stating publicly that they believed his denials. Understandably, very few of them feel particularly well-disposed to rush to his aid again.

That leaves a coterie of loyal friends, a handful of whom have no longer any reputations to lose.

There is Dick Morris, the former presidential adviser who was himself ostracised after he was caught with a prostitute. There is also Teddy Kennedy, the senator for Massachusetts and veteran of the Chappaquiddick scandal, who has been offering the president advice.

The most loyal support, both in and out of Congress, has come from African-Americans. The day before the president confessed his sins to the nation in August, Chelsea Clinton called for Reverend Jesse Jackson.

His first public apology since his televised statement of "regret" was at an event commemorating the 35th anniversary of Martin Luther King's "I have a dream" speech.

Afterwards, John Lewis, the house representative and former civil rights activist from Georgia, said: "Mr President, my friend, my brother ... I will stand with you from now until the end."

Mr Gore has offered support and sympathy in equal measure, while trying to keep clear of the melee so that he can keep clean enough to succeed the president in the year 2000, if not sooner.

But with the basic strategy still apparently unsettled, the White House is searching for what some aides are describing as an *uber*-lawyer — a new member of Mr Clinton's defence team who would serve as ambassador to Capitol Hill and supervise the fight against impeachment.

Sources said Mr Clinton's lawyer David Kendall, who has retained tight control of legal strategy, and the White House deputy chief of staff, John D. Podesta, who runs the political side of the damage-control operation, are looking for someone with extensive congressional experience, preferably a former member.

Among those being considered are former representative James Jones, D-Ohio, who has also served as ambassador to Mexico, and Vic Fazio, representative for D-California, a member of the House leadership and a Clinton friend, who is retiring from Congress this year.

While Mr Clinton and his senior advisers look for someone to command the anti-impeachment corps, some White House officials frankly acknowledge a rising sense of helplessness and gloom about the likely impact of Mr Starr's report on alleged perjury and obstruction of justice by the president.

"On the one hand, it is very difficult," said a senior White House official. "On the other hand, it is very liberating, because there's nothing you can do."

Many believe the decisive moment will come once the Starr report is made public today.

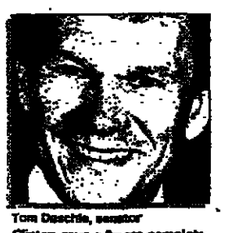
"What is this? We still don't know," said one former Clinton strategist. "Are we dealing with sin or are we dealing with crime?"

Taking sides

For



Teddy Kennedy, senator
Greeted the president warmly when he came to address New England audiences.



Tom Daschle, senator
Clinton gave a "more complete explanation of his relationship with Lewinsky," after his TV confession.



Reverend Jesse Jackson
"Clinton would rather face the voters' anger than the hostility of his family."



Dick Morris, former adviser
Clinton confessed "he was depressed, disorientated and almost on the verge of tears."

Against



Richard Gephardt, House Dem...
House minority leader: "I cannot condone the misbehavior ... and am very disappointed in his personal conduct."



Diane Feinstein, senator
Obtain Democratic senator, California: "My heart is completely has been badly shattered."



Joe Lieberman, senator
Democrat Connecticut, described him as "disgraceful" and "shameful" and said "embarrassed all Americans."



Paul McHale, Pennsylvania...
"The commander-in-chief should be the standard-bearer for ethics."

Futile plea for measured debate

IN CONGRESS: Hardliners on either side mean Gingrich's call for dignity will fall on deaf ears

Mark Tran in Washington

HOUSE Speaker Newt Gingrich yesterday made a solemn appeal for Congress to behave with dignity and without acrimony as it begins to deliberate upon President Clinton's fate. But the House Judiciary Committee, charged with the task of considering impeachment, is a highly politicised body.

Taking the unusual step of addressing the House from the Speaker's rostrum, Mr Gingrich declared: "Members engaging in debate must abstain from language that is personally offensive toward the president, including references to various types of unethical behavior.

"The freedom of speech in debate in the House of Representatives should never be denied or abridged," he added, quoting from House rules. "But freedom of speech in debate does not mean licence to indulge in personal abuse or ridicule."

Such pleas are likely to fall on deaf ears in the committee, polarised between diehard Democrats and Republicans. The committee's task will be to review the Starr report and determine whether to recommend that the House should conduct an impeachment inquiry.

The chairman of the 36-member panel is Henry Hyde, a silver-maned 74-year-old Congressman from Illinois. It falls upon him to shape the tone and and depth of any impeachment proceedings. Mr Hyde was responsible for banning federal funding of abortions, under an amendment that bears his name, and was considered a far-right conservative. But Mr Hyde appears positively moderate with the emergence of a new crop of rightwingers, notably Bob Barr, a two-term Georgia Republican. A former prosecutor and CIA analyst, Mr Barr has the distinction of being the most zealous anti-Clinton House member. He filed a resolution in the House for an impeachment inquiry on Mr Clinton last November — two months before the Monica Lewinsky story hit the headlines.

That resolution now has 22 co-sponsors, including Lindsey Graham of South Carolina, another Judiciary Committee member. Impeachment seemed outlandish and Mr Barr was widely ridiculed at the time. Now he appears well ahead of the curve.

At the opposite end of the spectrum is Barney Frank, a liberal Democrat who delights in savaging the Republicans. Mr Frank could emerge as the president's chief defender, partly because his sister, Ann Lewis, is Mr Clinton's communications director at the White House.

"They're trying to impeach this guy for lying about his sex life. But you're talking to a guy who's been criticised for not lying about my sex life. People say, Why don't you go live your life and don't tell us about it," said Mr Frank, who is gay.

Mr Starr's report is expected to focus on evidence that the president committed perjury, obstruction of justice and abuse of power. Allies of Mr Starr say the report focuses on evidence that the president committed perjury during the Paula Jones sexual harrassment case and again when he testified before the grand jury in August. But even if Judiciary Committee members accept Mr Starr's factual conclusions, they have to decide whether these constitute "high crimes and misdemeanours" that warrant impeachment.

The constitution states that the president may be impeached by a majoriy of the House for "treason, bribery or other high crimes and misdemeanours" and removed from office by two-thirds of the Senate.

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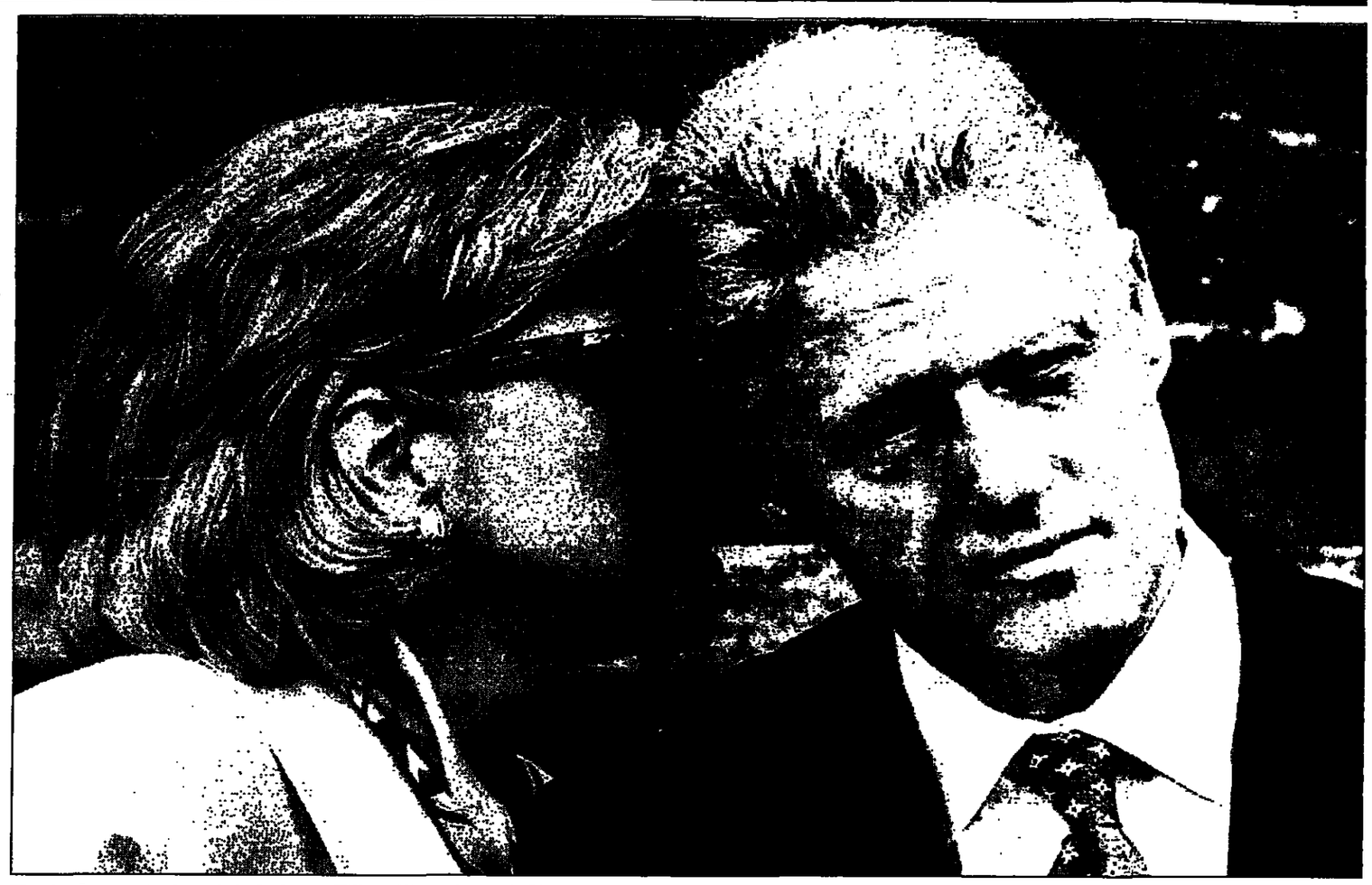
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The Clinton crisis

"Eight months ago, his words of contrition — plus full disclosure of his transgressions — might have sufficed. Today, they only grate."
USA Today

Dark glasses, and dark mood in a final betrayal

THE FIRST LADY: Now her marriage is 'dead' and women Democrats want her husband buried. **Martin Kettle** reports



Wearing her new trademark dark glasses, Hillary Clinton is seen in Limerick last week in one of the now rare public moments when she touches her husband PHOTOGRAPH: DAN CHUNG

HILLARY Clinton's failure to speak up on her husband's behalf reflects a disastrous few weeks in their complex and much scrutinised marriage, observers who have spent long periods with the Clintons in recent days have told the Guardian.

They say that the president and his wife have "a dead relationship", with Mrs Clinton feeling utterly betrayed by her husband's unfaithfulness and lies about his sexual relationship with Monica Lewinsky.

Mrs Clinton's reluctance to forgive her husband either in private or in public is becoming a central issue in Mr Clinton's battle to save his presidency.

The president's advisers want Mrs Clinton to make the kind of "stand-by-your-man" speech and appearance that has served in the past. Mrs Clinton's refusal, at least so far, reflects an unprecedented private bitterness and anger, sources claim.

The silence has become increasingly conspicuous, helping to emphasise the president's isolation not just from his wife but from the women voters who did so much to put him in the White House.

Mrs Clinton's body language during her few recent public appearances has been minutely examined by watchers anxious to glean clues about her reactions to the admissions about Ms Lewinsky that Mr Clinton made last month under questioning by investigators for Kenneth Starr, the special prosecutor who has been looking into Mr Clinton's conduct.

Observers have repeatedly drawn attention to the physical distance Mrs Clinton is keeping from her husband. They also point to her dark glasses, and her reluctance to provide the media with the traditional repertoire of choreographed public intimacies at which the Clintons were masters.

Though Mrs Clinton has accompanied the president on foreign tours to Russia and Ireland, and to a small number of public events in the United States, these appearances are seen by insiders as a purely public act. When Mrs Clinton introduced the president at a Moscow event during the Russia tour, she failed to call him "my husband", as she usually does, referring to him as "Bill Clinton, the president of the United States".

On past occasions — notably over Gennifer Flowers's assertions in 1992 that she had a long-running affair with Mr Clinton — Mrs Clinton rallied to her husband's cause.

After an intervening period in which she came to be seen as the cynical back-seat driver of the Clinton presidency, accepting her husband's affairs in return for the power he has won for her, Mrs Clinton is now widely viewed as a dignified and wronged woman who deserves a better husband than she has got.

Her failure so far to respond to the Lewinsky scandal in the same supportive way that she did in the Flowers scandal is understood to be an accurate reflection of the fact that she has not forgiven Mr Clinton. She maintains that almost to the last he denied to her — as well as the courts and the nation — that allegations of sex with Ms Lewinsky were true.

Mr Clinton's alleged failure to level with his wife matched his failure to level with his staff and his supporters. This helps to explain why what passes these days for a White House defence strategy seems to be having little impact on the many people who are bitter and disillusioned.

This bitterness is especially strong, and for Mr Clinton especially dangerous, among Democratic Party women. One of the first senior women politicians to criticise the president, Senator Dianne Feinstein of California, is said to have told fellow senators last week that Mr Clinton had looked her in the eye — and lied about Ms Lewinsky.

Several other senior women in Congress have expressed their anger. Ms Feinstein — whom some say has an ulterior motive as a potential vice-presidential nominee in the event of an Al Gore succession — is far from alone. Barbara Boxer, another California senator, has attacked Mr Clinton for her own reasons; she is running for re-election. And Ms Boxer's daughter is married to Mrs Clinton's younger brother.

Another traditional Clinton supporter who has taken electorally motivated evasive action is Senator Carol Moseley-Braun of Illinois, the nation's only black woman senator. She is facing a difficult re-election contest in less than two months, and is likely to be defeated unless she puts distance between herself and Mr Clinton.

Throughout the administration and across American politics, women are uneasily trying to weigh the same conflicts. Do they stand by a president who has been a consistent supporter of women's rights, not least the immensely divisive abortion issue, or do they voice their outrage and indignation at such male behaviour? Many would rather not face the question, and there have been repeated accusations against feminist leaders — such as Patricia Ireland, head of the National Organisation of Women — that they are evading the challenge by their apparent ambivalence.

Two of Mr Clinton's senior cabinet members have so far kept silent too, after earlier rallying resolutely behind the president's denials. The secretary of state, Madeleine Albright, and the health secretary, Donna Shalala, both emerged from a White House cabinet meeting in January to express their belief in Mr Clinton's denials. Both were under pressure to emerge from yesterday's cabinet meeting to say where they stand now.

Underpinning many of these anxieties is the Democrats' awareness that their party continues to command a disproportionate level of support among women — and that the loss of that support would have shattering effects on a party that many believe is sliding gradually into historic minority status.

Bill Clinton won the presidency in 1992 because 54 per cent of American women voted for him, compared with 43 per cent of men. If men alone had voted in 1996, Bob Dole would be in the White House today.

Latest polls show that the Democrats' lead among women has all but evaporated. Behind many of the moves underway in Washington is the realisation that women are more important to the Democratic Party than Bill Clinton is. That sort of weighing of relative values is what Hillary Clinton is facing too.

Singing the blues for Bill

THE PAPERS: A wide range of reaction, but support from an unexpected quarter

Mark Tran in Washington

IF PRESIDENT Clinton had time to wade through the editorials and commentaries on his plight, he will have found encouragement from an unexpected quarter, William Safire, one of his most trenchant critics.

Writing in the New York Times, in a column headlined Hang in There, Mr Safire wrote: "Clinton should stay right where he is because the people elect presidents directly for a fixed term of four years. Our decision cannot be reversed by a parliamentary vote of confidence. Resigning — even entertaining the idea — weakens the office and undermines the system."

George Will, another Clinton critic, was not so gentle with the president, pointing out the damage that he has done to his party. "Clinton is undoing the Democrats' arduous 30-year climb back from perception of strangeness. Remember the turmoil of the 1968 convention, acid, amnesty and abortion ... Now Democrats are represented by a man who represents the doctrine of permissible perjuries, innocuous lies and oral sex in the workplace."

The New York Post takes up this theme of Mr Clinton's damage to his party, saying the more he tries, the worse he makes it for the politicians in his own party. "The bipartisan Battleground poll tells the story: Those who are likely to vote in November favour Republicans over Democrats by 13 per cent ... After months in which Bill Clinton could do no wrong, it now appears he can do no right."

There was not much solace for Mr Clinton elsewhere, although there were calls for Congress to proceed fairly. The Los Angeles Times echoed Mr Gingrich's call for fairness as Congress begins to debate the president's fate. "Those who will sit in judgment on Clinton and who believe that his conduct has disgraced the presidency must take care that their own anger or zeal for political gain does not disgrace Congress," the paper declared.

USA Today expresses its irritation at the president's new-found contrition. It notes Mr Clinton's pledge to "redeem the trust of all the American people" in Florida this week, but wishes the president had come clean in January, when the Monica Lewinsky scandal broke.

"Eight months ago, those words — plus full disclosure of his transgressions — might have sufficed. Today, they only grate."

On a satirical note, Calvin Trillin penned this ditty for the Nation magazine:

I got the physical relationship that wasn't real
Appropriate blues
Because this pretty little number made an offer
That I couldn't refuse.
So, well, foolishly I told her yes.
Who would know she'd hold on to the dress?
Who would know that I'd have to confess
To some technically non-sex caress?
And now they're writing in the papers that you
Might hear me say my adieus.
And I remember when it happened, at that/
Moment, thinking, "What's there to lose?"
I got the physical relationship that wasn't real
Appropriate blues.

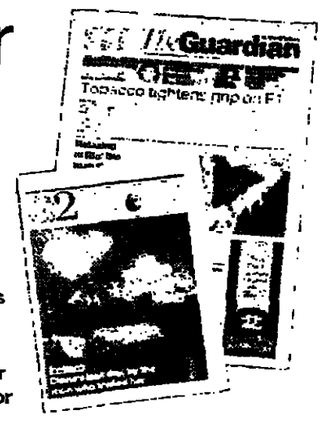


Hold the front page... the US media give saturation coverage to the White House scandal

Updates on the Starr report will be available throughout today on http://reports.guardian.co.uk/clinton/

William Safire, page 12

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Second media group enters race for slice of soccer action ☐ Aston Villa says it is also in takeover talks with 'a communications firm'

Carlton sets its sights on Gunners

Janine Gibson
Media Correspondent

THE football ownership stakes rose another notch yesterday, when Carlton Communications launched a bid to tie up Arsenal, last year's winners of the FA Cup and Premiership double.

Carlton's swoop came a day after its digital rival, Rupert Murdoch's BSkyB, confirmed a £623 million takeover of Manchester United.

The media group which owns the ITV company Carlton Television insisted the Arsenal negotiations were "at an early stage". But in a joint statement issued late yesterday, the two confirmed that the talks could lead to an offer — believed to be around £275 million — for the club.

Insiders suggest talks have been going on for some time, but the statement said Arsenal and Carlton had had a "very preliminary discussion on ways the two companies can work together".

It continued: "These talks are too preliminary in nature to assess the probability of any outcome. One possible outcome could be an offer being made by Carlton for Arsenal."

Carlton, which is believed to have held discussions with a number of other clubs, was forced to make the announcement after speculation about its plans.

As with Sky's deal, a Carlton deal with Arsenal would be less a meeting of minds than one of necessity between broadcaster and football club wishing to profit from televised matches.

The ambiguity of the joint statement shows the extent to which Sky's deal caught media groups and football clubs on the hop. Carlton, which has been talking to several London-based clubs, is rumoured to have been planning a clutch of football deals. It is also understood to have backed off from the chance to take over Arsenal's troubled neighbour, Spurs.

Sky's move has forced Carlton on to the defensive. There is at least as much rivalry between Carlton and Sky as there is between Arsenal and Manchester United. Last year, Carlton formed a consortium with the Mirror Group to try and outbid the satellite broadcaster for the rights to the Premier League.

Carlton's war with Sky is over their rival digital TV services, due to launch this year. Digital is the primary reason behind the football feeding frenzy, and Sky has already claimed one victory: its digital satellite offering will launch first on October 1.

Carlton Communications is built on acquisition and chairman Michael Green is investing heavily in digital terrestrial TV through a 50 per cent stake in ON digital. But the City has been looking for a new Carlton acquisition for some months. Since buying out the Rank film library and winning the bid to launch digital, the group has been relatively quiet and its share price has suffered.

Analysts regard a tie-up with Arsenal in the same light as Sky's deal with Manchester United. The advantages Sky is thought to have gained in pay per view, any potential European Super League and the Premier League, apply equally to Carlton.

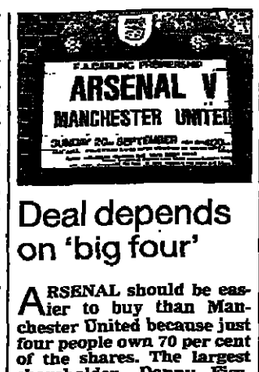
For Arsenal, a cash injection also makes sense. The club is constrained at its 35,000-seat Highbury ground, and earlier this year approached Wembley with a view to moving to the stadium after its redevelopment. It later withdrew. Graham Bell, analyst at broker Williams de Broe, said yesterday: "Over the medium term if they are going to move they will need support from a major player."

Share prices began to rise yesterday morning. Arsenal, which is not a fully-listed company, was valued on Wednesday at £162.4 million. It finished the day 38 per cent up, at £224 million. Another London club Chelsea also saw the benefit, with a 13 per cent rise in share price: while Carlton's shares dropped 2p to close at 423p.

Carlton and Arsenal's preemptive statement yesterday did nothing to halt speculation about other Premier League clubs and media groups. The Granada Group — Carlton's partner in ON digital — refused to make any comment about football.

One, probably unintentional, side-effect of Carlton's announcement is that it may take the heat off Murdoch and Sky. The public interest argument against Sky's deal with Manchester United is greatly diluted by the possibility of a rival broadcaster also taking an influential seat at the top of the Premier League.

Tony Blair, page 12



Deal depends on 'big four'

ARSENAL should be easier to buy than Manchester United because just four people own 70 per cent of the shares. The largest shareholder, Danny Fiszman, owns 28 per cent. And the Gunners can only be taken over if two of the four agree to sell..

Financial institutions own 60 per cent of Manchester United, giving them the final say.

Most Arsenal shares not held by the top four are held by fans. They can be bought and sold through a small stockbroker, J P Jenkins. And there are only 56,000 — worth £4,000 each in yesterday's deals — compared with the 260 million Man Utd shares for which BSkyB offered 240p per share.

Tom McGhie



Business as usual yesterday at Arsenal's north London ground, despite reports of a £275 million takeover bid for the Highbury club PHOTOGRAPH: SEAN SMITH

Board men on the brink of a lucrative deal

Stuart Millar on the financial players behind a winning team

THERE is a saying popular in the Highbury corridors of power. The Arsenal board, the directors like to claim, meets about five times a year. Unless there is trouble, in which case it meets four times.

The rule of thumb not only reveals a conceit understandable in an institution once regarded so secure it was seen as English football's equivalent of the Bank of England. It also underlines the extent to which the operations of the organisation effectively rest in the hands of a few key individuals. And principal among them is the vice-chairman, David Dein.

His involvement is not apparent on paper. He holds neither the top title nor the largest shareholding. But there is no doubt that Dein has been the driving force behind virtually every recent development at the club. From the rebuilding of the Clock End to the negotiations with Carlton, each bears his fingerprints.

Nor is his influence confined to football in London N5. Dein was in the vanguard when five English clubs pushed for the establishment of the Premier League. He is also a member of numerous domestic and international football committees — a factor which may explain his public antipathy towards a rebel European Super League despite his support for reformed European competition.

Described by his friend Sam Hammam, the Wimbledon chairman, as the "most influential figure in the modern game", his attitude to Carlton's advances therefore will be decisive.



David Dein: lifelong fan and the power behind the scene

Dein, aged 55, grew up as an Arsenal fan. With money from the fruit business he and his brother had established, he joined the board during the 1982-83 season paying £290,250 for 1,161 unissued Arsenal shares — then 16.6 per cent of the club.

Until his arrival, the board had been the preserve of the old money establishment and the professional classes; Dein was new money.

By 1991, he had become the largest shareholder with 42 per cent of the shares. But the collapse of his other business interests forced him to relinquish some of his investment to Daniel Fiszman, a long-time friend and Gunners fan who had joined the board in 1992.

It was a shrewd move. With Dein's share reduced to 14 per cent, Fiszman became the largest shareholder. But the vice-chairman retained his power. "The deal was made on the understanding that they speak with one mind," said Alex Fynn, a football consultant who has advised Dein professionally and written on Arsenal. "Dein sets the strategy and Fiszman supports him."

Fiszman is a reclusive multi-millionaire whose fortune comes principally from his diamond trading business in Hatton Garden, London. He is also involved in more than a dozen other companies.

If Carlton's reported £275 million offer does materialise and is accepted, Dein stands to make around £58 million from his 11,912 shares, while Fiszman would net around £75 million from his holding of 15,429 shares.

The other large shareholder Richard Carr, a City barrister with 9,893 shares, would make £48 million, while he and his brother, Clive, would make a further £23 million from the 4,842 shares they jointly own.

Club chairman Peter Hill-Wood's 348 shares would net him £1.7 million while Ken Friar, the managing director who has been with the club since 1950, would make £982,000 from his 200 shares, the same as Sir Roger Gibb, a long-time friend of Hill-Wood.

Yet it is not the potential for vast personal gains alone which make it likely that the board would accept an offer from Carlton. Not only must it remain in the hunt for top players, it also faces a massive outlay to either redevelop Highbury or finance a new stadium elsewhere.

Despite his credentials as a fan, Dein has never been cherished by the Arsenal faithful. With last season's double success, came a warming of attitudes. But it is on his handling of the Carlton issue that his reputation and that of the rest of the board now depends.

Old goals and jump'n'pump

Review

Vivek Chaudhary

Manchester United Television

THE digital age about to revolutionise football on television kicked off last night with a three-year-old match and a bit of jump'n'pump.

Manchester United Television, the world's first seven-day-a-week football club channel, went on air with a schedule that would hardly have excited even the most ardent fan.

The £10 million channel, set up by the club and BSkyB, is seen by many as the precursor of a pay per view channel featuring United's games. News of the channel was announced four weeks ago, before this week's BSkyB takeover drama, and many fear it is the shape of things to come for the country's top football clubs. By owning their own channels, they will have complete control over televising their games. The deal between BSkyB and the Premier League for televising matches runs out in 2001.

At the moment MUTV, as it is known, does not have the right to show United's first team games. Yesterday, subscribers were treated to 90 minutes of United against Coventry, played in 1995, followed by 15 minutes of an aerobics show, Jump'n'Pump.

If that was not enough, there was also a 30-minute special on the career of defender Gary Pallister, who no longer plays for United. For those who missed the first screening at 7.30pm it was repeated at 11pm.

Chief executive Paul Ridley said the schedule is likely to change after feedback from subscribers, who are being asked to pay £4.99 per month to receive MUTV.

A half-hour live news bulletin, to be a daily feature, gave the latest news on the BSkyB takeover. Mr Ridley said: "We won't be able to televise United's games until 2001 or unless something dramatic happens to the deal between Sky and the Premier League.

"In an ideal world we would love to show live games. But we are setting out to give fans access to the club. MUTV will help bring them closer to Manchester United."

The channel, broadcast from a studio inside United's Old Trafford ground, will be available to subscribers around the world.

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'This is more important than the personalities involved. This is not about me or David Trimble. It's about our children and it's about our future'

Gerry Adams



'It is an inevitable fact whether here or at Westminster that you have to meet and work with a range of people and they are not all angels'

David Trimble

Sinn Fein president Gerry Adams, left, and Ulster First Minister David Trimble reporting to the press on their cordial, constructive first meeting PHOTOGRAPHS: JUSTIN KERNOGHAN

No handshakes but they did make history

John Mullin on the moment when Gerry Adams and David Trimble met face to face, ending a 75 year stand-off

IN a drinks room decorated in tasteful pink and cream, the two men were alone at last. Gone were colleagues, advisers and note-takers. They spoke for 35 minutes, truly momentous times.

One, a former academic lawyer; the other, a one-time barman. Today, they lead Ulster Unionism and Irish republicanism, and this was the first time those incumbents had met in three-quarters of a century.

David Trimble, Northern Ireland's First Minister, and Gerry Adams, Sinn Fein president, still have to shake hands, but their face-to-face meeting was civil enough. They even took the opportunity to try out each other's first names.

Nothing much was decided. The decommissioning of IRA weapons is still the stumbling-block as Sinn Fein pushes to join the power-sharing executive, and those issues dominated the conversation. But that the meeting took place at all was progress.

Both men searched for positive descriptions of their encounter. They agreed it was cordial, constructive, and business-like.

Stormont was so long the citadel of Unionist power, and Mr Adams skipped down the magnificent staircase in Parliament Buildings without even a glance at the statue of Lord Craigavon, who was, as Sir James Craig, the first prime minister of the Northern Ireland.

Mr Adams praised Mr Trimble, the first Ulster Unionist leader to meet a Sinn Fein leader head-to-head since Sir James negotiated with Michael Collins in 1922. He believed no other member of Mr Trimble's party could have brought it so far so quickly.

Mr Adams said: "He is a man I can do business with; he is a man I have to do business with; and he is a man who I will do business with. This is more important than the personalities involved.

"This is not about me or David Trimble. It's about our children and it's about our future."

Mr Trimble was waving an olive branch too, and he had left off his favoured barbed wire wrapping for it. His words on decommissioning were measured, clothed in the language of reason.

He avoided using the term "terrorists". He made it clear he was not seeking their "surrender" or "humiliation".

He said: "There is a realisation among all those people who have been involved in paramilitary activity that it is all going to end. It's all ending now and we must therefore see in a reasonably short time the inevitable dealing with the consequences."

He surprised nationalist opinion. He announced that the first meeting of the North-South ministerial council, long-resisted by Unionists, would take place within the next month or so.

Mr Trimble even managed something approaching a joke when asked whether he was comfortable meeting Mr Adams. He said: "It is an inevitable fact whether here or at Westminster that you have to meet and work with a range of people and they are not all angels."

Both men knew their bi-lateral meeting was a boil which had to be lanced. They feared there might be a resulting wound, vulnerable to attack from hardline Unionists.

But hardline Unionist reaction was muted. The critics in Mr Trimble's political backyard believe he will sit in government with Sinn Fein before the IRA hands in any of its weapons. They point out, as does Mr Adams, that the Good Friday Agreement makes no explicit linkage. But they seem resigned to it.

The Trimble-Adams meeting followed a more formal summit, with civil servants and secretaries. It lasted 40 minutes.

Then, Mr Trimble faced Mr Adams and his colleagues, Alex Maskey and Bairbre de Brun, across the mahogany table of his sumptuous private dining room. He was flanked by Seamus Mallon, Deputy First Minister.

Mr Trimble and Mr Adams stepped away from everyone else into the ante-room, used for dinner guests to enjoy aperitifs. Although they hardly left as bosom chums, both were clearly pleased.

In the choreographed push for progress, no one was much surprised that Ronnie Flanagan, RUC Chief Constable, took the opportunity to announce just as the meeting was taking place that he was ending all weekend security patrols in Belfast. That means there will no more routine military patrols in the city.

Mr Flanagan confirmed that troop levels could soon be cut, paving the way for IRA decommissioning. There are 16,000 soldiers in Northern Ireland.

It was Mr Adams who turned to his dictionary of quotations to describe yesterday's meeting. It was, he said, the first step of the journey he hoped would lead to nationalists, Unionists, republicans and loyalists peacefully co-existing.

He quoted from Abraham Lincoln's second inaugural address in 1865 as the American civil war ended. "With malice towards none; with charity for all; with firmness in the right ... let us strive on to finish the work we are in; to bind up the nation's wounds ... to do all which may achieve ... a just and a lasting peace."



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Soccer 'hard man' Vinnie facing jail

Alan Travis
Home Affairs Editor

RISING film star and QPR footballer Vinnie Jones — the "villain with a heart of gold" in the new British movie Lock, Stock and Two Smoking Barrels — now faces the prospect of jail for allegedly failing to take his punishment.

The Welsh international with the "hard man" reputation both on and off the pitch is to be prosecuted for allegedly failing to comply with the 100 hours' community service he was ordered to carry out for punching, kicking and biting a former neighbour, Timothy Gear.

Jones was convicted in June of assaulting Mr Gear after hammering on his door late at night to complain about the removal of a stile from his land. A former bricklayer and decorator, he was ordered to paint local schools, hospitals and council buildings near his home in Hemel Hempstead, Hertfordshire. He avoided a jail sentence after St Albans magistrates were told he would be dismissed as QPR's assistant manager if he were imprisoned.



Vinnie Jones, who denies breaching a court order

Geoff Dobson, Hertfordshire's chief probation officer, last night confirmed that fresh court action is to be taken against Jones. The Probation Service has already told a court that his community service order has been breached on three occasions, although this is denied by his lawyers. "I can confirm that breach proceedings have been instigated but I am unable to comment any further in advance of court proceedings," said Mr Dobson.

But true to form Jones has tried to get his retaliation in first.

He went to court last week to try to get the community service order revoked. His lawyer complained to the magistrates that details of his work placement painting a local school were leaked and he was pictured in a national newspaper. Jones had refused to take part in an official photo opportunity when he started his sentence — unlike Eric Cantona. The magistrates will made a decision on this issue in November.

The threat facing Jones was confirmed on the day that the Commons home affairs select committee complained that community sentences had to be enforced stringently, and it was unacceptable that action was taken against only one in four of those who breached probation orders. The MPs wanted to see offenders who flagrantly breached community sentences sent to prison.



Peter Goodwin arranges some of the oak timbers which have been replaced by new ones on HMS Victory in Portsmouth dockyard. The old timbers from what was Nelson's flagship at the Battle of Trafalgar in 1805 may be cut up and used to make souvenir key rings PHOTOGRAPH: ROGER BAMBER

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News in brief

Scheme to cut bowel cancer

THE first pilot projects that could lead to nationwide screening for bowel cancer and cut the death toll of 20,000 people a year were announced by the Government yesterday.

Bowel cancer is the second most common cause of cancer deaths in the UK, after lung cancer. Part of the reason for the high death toll is the embarrassment factor — many people, especially men, are reluctant to go to a doctor with symptoms which include rectal bleeding and diarrhoea.

Yesterday the Health Minister Tessa Jowell announced a £2.5 million scheme for two pilots, in England and Scotland, to see whether people will co-operate with a screening programme which involves sending test kits to people's homes.

"Bowel, or colorectal, cancer is a serious problem," she said. "We have already made an extra £10 million available for faster access to diagnosis and treatment of this terrible disease, and now we are moving to the next stage. These pilot sites will give us the opportunity to gauge whether a national bowel cancer screening programme would be feasible and acceptable to the public. — *Sarah Boseley*

Paedophile's promise

A PAEDOPHILE who will be released from prison next week has agreed not to return to his home village where one of his victims still lives, police said yesterday. Rhys Hughes will be freed on Monday after serving six years of a 10-year sentence for raping and molesting children over a period of more than 30 years.

Because he was jailed before the introduction of the 1991 Criminal Justice Act he cannot be forced to accept supervision on his release. Hughes, aged 65, was convicted in 1992 after a reign of terror which lasted from 1957 to 1991.

Among his victims was a four-year-old girl who is now in her teens and still lives in the same village. A statement released by Thames Valley police said Hughes was aware of the strong public feeling and had no plans to return to his home in Sonning Common, Oxfordshire.

Shayler gets aid review



FORMER MI5 agent David Shayler, right, yesterday won a judicial review of a refusal to grant him legal aid to resist extradition to Britain.

John Wadham, director of Liberty, is representing him but has only been paid some expenses. Shayler was jailed in France at Britain's request, after claiming to have evidence of malpractice within MI5. He was refused legal aid last month because he has not been charged with an offence.

Labour names spokesman

MICHAEL Craven, the former aide to John Prescott who became a top Westminster lobbyist, was last night appointed Labour's chief spokesman in succession to David Hill, but only to see the party through this autumn's political hurdles.

Mr Craven, aged 39, has been a Labour Party member since he was 15. He worked for Mr Prescott for most of the 1980s and was later chairman of the Labour Co-ordinating Committee, the once-Bennite group which swung behind Neil Kinnock's early moves to modernise Labour after repeated election defeats.

In 1967 he joined Market Access, one of the biggest lobbying firms working around Westminster and Whitehall, emerging as its managing director in 1995, but has since left. — *Michael White*

Schoolboy hanging

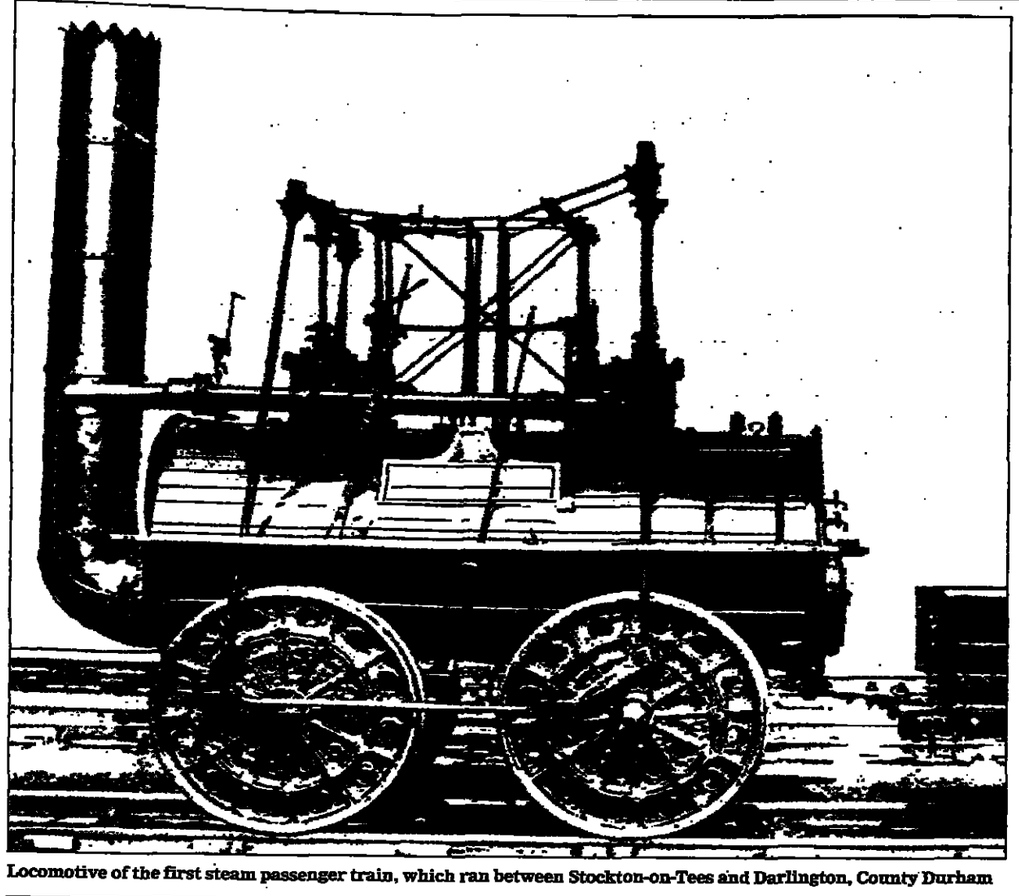
POLICE are investigating the death of a 12-year-old boy who is believed to have hanged himself in the bathroom of his home. Gary Agnew had just started his first term at secondary school. Officials denied he was being bullied. He was found dead by his mother in their home in the Drumchapel district of Glasgow, police said.

A Glasgow city council spokesman said: "As far as we are concerned there is no evidence at all of bullying, and Gary was very happy at the school. Apparently his death was a total mystery to the school and they are very upset about it."

Smalls crimes

AN underwear thief caught stealing from a washing line had amassed a stock of 10,000 items over five years, police said yesterday. Officers discovered a room in Wembley, north London, four feet deep with knickers, bras, vests and tights. The unnamed man has been charged with theft.

هكذا من الاصل



Locomotive of the first steam passenger train, which ran between Stockton-on-Tees and Darlington, County Durham

Martin Wainwright

THE £5 note may have to be enlarged to include two forgotten heroes of steam, following the discovery of documents which shed new light on the role of George Stephenson.

The Geordie was as good, if not better, at PR as at locomotive engineering, according to historians at Beamish Museum, County Durham, close to the track where the country's first steam passenger services began in 1825.

Documents from archives in Durham and Newcastle upon Tyne will be revealed to a conference today, suggesting that two more modest Tyneside engineers were crucial to Stephenson's development of Locomotion No 1, the engine which pulled the first train between Darlington and Stockton-on-Tees.

"We are just trying to set the record straight," said Andy Guy, who has directed five years of research from Beamish, the country's largest industrial museum. "It is already known that Stephenson was famous for exaggeration. This will show that although he is a key figure, his influence has been exaggerated."

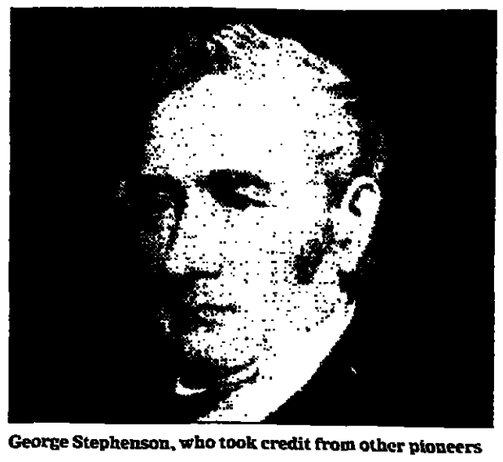
The documents add to a growing belief that two other men should be squeezed on to the fiver — Tyneside engineer William Chapman and the technical director of Lord Londonderry's mines north of Newcastle, John Buddle. Mr Guy will tell today's International Early Railways Conference at Durham university that the two men paved the way for the Locomotion, and the more famous Rocket, in the early 1800s.

Chapman was a North Yorkshire Quaker who played a big role in the industrialisation of Tyneside and joined Buddle in improving mining railway locomotive designs. The documents suggest that both men were closely involved with Stephenson on the early engine My Lord in 1814, although receiving no public credit.

Mr Guy said they should have their share of the limelight. "This gives us all the more reason to be proud of the rich railway history of the North-east," he said.

The widening of credit was welcomed yesterday by other historians, who will join delegates from the US, Europe and the Far East at today's conference. Steven Dyke, curator of the Darlington Railway Centre and Museum, said Stephenson often overshadowed others who deserve more attention than history gives them."

Alan Pearce, manager of the Timothy Hackworth Museum in Shildon, County Durham, said that within the world of history it was accepted that a lot of achievements credited to George Stephenson were not his.



George Stephenson, who took credit from other pioneers

Historians insist that Stephenson should share the limelight

MPs declare end to 'jail works' idea

Alan Travis
Home Affairs Editor

UP TO 20,000 prison inmates should be released and dealt with more effectively by being placed on community punishments, an all-party group of MPs said yesterday.

The Commons home affairs select committee report warns that the huge rise in the prison population over the last five years to more than 66,000 "is unsustainable". It adds: "Unless it is halted — and in due course reversed — it will end badly."

Chris Mullin, the committee chairman, said the report had been unanimous: "I would like to think that this report marks the formal end of the 'prison works' philosophy. Prison is only an effective and very expensive means of containment. When prisoners are released, as 90 per cent of them will be, they don't necessarily emerge as better human beings. All our witnesses, including the Lord Chief Justice, the head of the Prison Service and the Chief Inspector of Prisons, took the same view."

> 'Prison is only an effective and very expensive means of containment'

The MPs say however that it is essential there are credible alternatives. They even recommend investigating the idea of "weekend jail" for convicted offenders who have jobs and families.

The MPs endorsed estimates by the Chief Inspector of Prisons, Sir David Ramsbotham, that one in four inmates, the less serious criminals, need not be in prison. They include 70 per cent of women inmates, and many of those jailed for drug misuse for whom treatment outside prison is far more effective in breaking their habits. At a cost of £24,271 a year to keep each inmate, more than £500 million a year is spent on needlessly jailing these prisoners.

The MPs also criticise the ignorance of judges and magistrates regarding community punishments run by their local probation services, and attack the lack of rigour in the enforcement of some probation and community service orders. If community sentences are to be credible, say the MPs, they must be enforced stringently. "It is therefore entirely unacceptable that local probation services are, on average, taking action where offenders breach their probation orders in barely a quarter of cases." They recommend that offenders who flagrantly break the terms of their community sentences should in future be sent to prison.

They also want to see a nationwide use of experimental schemes for home curfews enforced by electronic tagging, and the renaming of "community service orders" as "criminal work orders" to dispel any idea they are voluntary.

The report was welcomed by probation chiefs and penal reformers, but the Police Superintendents' Association was concerned that the report was driven by cost savings rather than combating crime.

However Paul Cavadino of the National Association for the Care and Resettlement of Offenders said it was a report of enormous political significance that marked the death knell of "prison works" policies.

"It is the clearest all-party statement for several years of the futility of jailing more and more offenders in increasingly overstretched prisons," said Mr Cavadino.

Tim Radford reports from the British Association's annual science festival

Scientists build antimatter factory to make perfect fuel

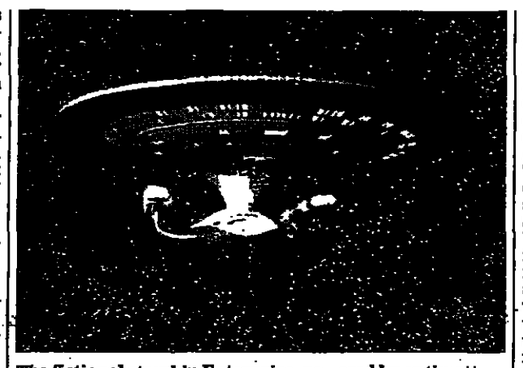
EUROPEAN scientists are to build an antimatter factory at Cern, the European nuclear research laboratory in Geneva.

But even though antimatter would be the perfect fuel — 200 times more efficient than thermonuclear fusion — it may be some time before they have made enough to boldly go with Captain Jean-Luc Picard and Dr Spock. It would take 20 kilograms of antimatter to power the Star Trek starship Enterprise.

Antimatter is puzzling stuff that must have existed in huge quantities at the birth of the universe, but which is destroyed when it brushes against matter.

"Probably 20 kilograms would be all you would need to power a spaceship and send it round the galaxy," said Frank Close, of Cern, at the British Association science festival in Cardiff yesterday.

He admitted there were technical problems. "You have got to put it in the spacecraft and store it in a little vacuum in a magnetic bottle so it doesn't touch any of the matter the spacecraft is made of, otherwise you blow the end off, then keep it very still so that when the spacecraft takes off the antimatter goes with it without the slightest jiggle. And you have to put it there without blowing yourself up. These are technical problems that will be solved," he said.



The fictional starship Esterprise, powered by antimatter

The antiparticles made in Europe and the US in the last 20 years add up to less than a millionth of a gram. The antimatter factory would make 2,000 atoms of antihydrogen an hour. It would take 10,000 times longer than all history to make 20 kg.

Doctors already use tiny particles of antimatter routinely in a scanning technique called positron emission tomography. But three quarters of the universe is composed of hydrogen which condensed out of the Big Bang in the first instant of time. The latest theories say equal quantities of antimatter should have been created too. So somewhere there should be enough antihydrogen to fill an antiuniverse. If there is not, why not? Professor Close asked. Scientists will make the stuff, cool it to very low temperatures and examine it to answer questions about the nature of matter itself, and the laws that govern the universe.

The simplest form of antimatter to handle in bulk would not be antihydrogen but antiwater, or better still, antiice. "So if you have a good way of making not just antihydrogen but antioxygen and bringing them together to make antiwater and freezing it to make antiice, talk to me," Prof Close said.

Rampage of the US mink is worldwide problem

THE rampage of mink in the New Forest in Hampshire is only a sideshow in a kind of global battle against American mink which have escaped from fur farms and run wild on three continents.

"It's one of those stories about overpaid, oversexed and certainly not just over here but over everywhere," David Macdonald of Oxford university told the festival.

"The American mink was introduced to this country for fur farming, and assurances were given that they would never escape."

Mink were released in the New Forest by animal rights activists last month, but in the former USSR trappers bred American mink and then released them into the countryside to be harvested later. The US mink proceeded to annihilate the local prey, particularly, in Britain, the water vole, as well as the competing European mink, a different species. Mink were a problem in Iceland, Argentina, Estonia, Belarus and Britain. "They are all over the world, actually," Dr Macdonald said.

Defence review 'puts UK at risk' MPs say

Michael White
Political Editor

THE Government's Strategic Defence Review has concentrated so much on the role of global policeman that it has failed to address the growing threat of terrorist attack against Britain, MPs warned last night. It could leave strategic nuclear weapons as the only means of counter-attack.

Weeks after the United States Secretary of State, Madeleine Albright, warned that terrorism, hostage taking, chemical and biological warfare would be "the war of the future", the all-party Commons defence select committee warned that the Ministry of Defence has "ignored the questions of protection against such weapons, of troops at home and ... protection of the civilian population."

The committee's chairman, Labour MP Bruce George, last night called them asymetrical threats in which crude weapons and tactics are "what the weak may chose to deploy against the strong" — a clear reference to Osama bin Laden's declared aims to attack the US and its allies.

In the committee's report on the Defence Secretary, George Robertson's strategic review of defence needs — published in July before the Islamic bombings in Africa and the US retaliation — the MPs praise his sweeping vision of the post-cold war world but suggest it may be "too outward-looking".

The MoD's concern for protection against biological and chemical weapons has been confined to the needs of expeditionary forces — the rapid reaction forces envisaged to tackle local crises — leaving the risk that strategic nuclear weapons could be "our only, or our first, line of defence against such threats". Britain cannot afford to be left with that choice, they say.

The select committee admits that choices had to be made with a declining defence budget, but says the review's foreign-policy orientation means that "it may have led to the neglect of certain aspects of the fundamental duty of the defence of the UK's territory, its constitution and way of life".

In particular, it condemns Government plans for swingeing cuts to the Territorial Army as "shortsighted" and "misconceived". The review called for the TA to be cut from 59,000 to 40,000. This report urges ministers to think again.

It also admits the Soviet collapse has dramatically reduced any serious threat to the UK, and says it would take 10 years for a rightwing nationalistic Russia to rebuild its military might.

> Swingeing cuts to the Territorial Army are condemned as 'shortsighted' and 'misconceived'.



Gary Glitter outside court yesterday, where he appeared under his real name, Paul Francis Gadd PHOTOGRAPH: BARRY BATCHELOR

Glitter case ruling today

Geoffrey Gibbs

A MAGISTRATE will rule today whether Gary Glitter must stand trial for allegedly sexually assaulting two girls.

The glam rock singer, aged 54, appeared before North Avon magistrates at Yate near Bristol yesterday on four charges of buggery and five of indecent assault dating back to 1975. He also faces 51 charges of making indecent photographs of children and 50 alternative charges of possessing indecent photographs.

He denies the charges.

Glitter, of Marylebone in central London, who appeared under his real name, Paul Francis Gadd, arrived in a chauffeur-driven Mercedes and struck a pose for photographers before entering the building.

He spoke only to confirm his name, address and date of birth, and to say that he understood the charges. Reporting restrictions were not lifted. The committal hearing resumes today.

Heavier fines proposed for damaging the environment

Sarah Hall

VANDALS and landowners who damage Britain's most environmentally important habitats risk tougher penalties under government proposals announced yesterday.

The penalty for damaging Sites of Special Scientific Interest (SSSIs) will rise from the current maximum of £2,500 to an estimated £5,000.

Courts will also make offenders repair damage they cause while landowners who neglect SSSIs could be forced to give them up, the Environment Minister, Michael Meacher, proposed yesterday.

The safeguards, announced in a consultation paper, aim to improve protection for the 5,000 sites in England and Wales. More than 300 sites are damaged each year in England, Scotland and Wales. Nearly half are suffering from mismanagement or neglect in England alone. Such destruction affects endangered species such as the otter, dormouse, red squirrel and fen orchid.

The proposals will also end automatic compensation for landowners who agree not to carry out work damaging their land. Money should only be paid to ensure land is appropriately managed, the consultation paper says.

Unveiling the proposals, Mr Meacher said penalties for deliberate damage to SSSIs fall far below those for damaging a listed building. Penalties for environmental damage were ludicrously low and did not act as a deterrent.

He said the Government was addressing the undermining of SSSI payments by European Common Agricultural Policy provisions. Farmers can gain 10 times more in EU subsidy for growing flax than for leaving land in its natural state.

Friends of the Earth, an environmental pressure group, said the measures went 60 per cent of the way to addressing the problem, but it was disappointed that there were no specific proposals to protect threatened species or the marine environment.

"Environmen ministers have nailed their colours firmly to the mast but until the Prime Minister allows the time to change the law, the destruction will continue," the policy and campaigns director, Tony Juniper, said.

Airports should become 'showcases for Britain'

Lucy Ward
Political Correspondent

HEATHROW and Gatwick airports should be spruced up and turned into showcases of modern British art and technology to update the nation's dusty image for overseas visitors, a government committee recommended yesterday.

A consultation paper from Panel 2000, the Foreign Office advisory group on rebranding Britain abroad, says the "gateways" to Britain must reflect an image of a thrusting, innovative country, raising the prospect of Damien Hirst sharks in tanks around the arrival lounge and Rachel Whiteread sculpture next to the luggage carousel.

The paper also sets out a series of proposals for promoting a bold new vision of Britain overseas, where mandarins admit that perceptions of this country are often negative. Calling for an "honest look at ourselves and how other people see us", the committee concludes there are "home truths that we need to face" in a world that "does not always think us quite as wonderful as we think we are".

In an effort to banish perceptions of stuffiness and resistance to change, embassies and residences should house exhibitions demonstrating British achievements in culture, science and sport, the committee says. Our man in Berlin or Rio de Janeiro could find his offices visited by touring representatives of British culture ranging from the Royal Shakespeare Company to the Spice Girls.

The panel aims to take the message first to Germany at the start of the millennium, to coincide with the Berlin Expo, before spreading the word in Brazil, Poland, China, South Africa and the US.

Foreign Office minister Derek Fatchett said the committee was keen to link artistic and commercial activities.

Embassies will be encouraged to co-operate with British businesses, the British Council and overseas charities and aid bodies in an attempt to project co-ordinated information about Britain.

The paper will go to a two-month consultation among MPs, peers, business and education organisations, before the panel reviews findings.

Panel 2000 provoked mockery of New Labour's Cool Britannia obsession when it was launched last April.

Sources said its report had been deliberately confined to "sober, practical and commonsense measures" to avoid such accusations.

With Chernomyrdin out of the way, the rivals for the presidential race are limbering up, writes **James Meek** in Moscow

Yeltsin yields in fight with Duma

THE race to succeed Boris Yeltsin as Russian leader in the next century was thrown wide open yesterday when the president dumped his chosen heir, Viktor Chernomyrdin, and yielded to his political opponents by nominating the foreign minister, Yevgeny Primakov, to form a new cabinet.

The climbdown was greeted with relief and applause across the political spectrum, after three weeks of paralysis in which the country was without a government at a time of mounting economic disaster.

"Good sense prevailed," said Gennady Zyuganov, leader of parliament's dominant Communist Party and the central opponent of the president's attempts to ram the discredited Mr Chernomyrdin through the Duma.

Parliament is likely to approve Mr Primakov today. There had been fears President Yeltsin would put forward Mr Chernomyrdin, already rejected twice, for a third and final time, forcing the legislature to either approve him or face dissolution.

Mr Yeltsin's decision to abandon Mr Chernomyrdin and put forward Mr Primakov — whose candidacy was suggested by the Duma — has left him politically weak.

His absence from the public stage during the constitutional and economic crisis which began last month has strengthened speculation that his failing health and grip on affairs has prompted his family and inner circle to find a way for him to retreat safely from the leadership.

Mr Chernomyrdin was abruptly sacked as prime minister in March. But when Mr Yeltsin first nominated Mr Chernomyrdin to take back the reins of government, he publicly declared him to be his successor.



'Remember how the Munich pact ended! Something very similar is brewing here'

Viktor Chernomyrdin

Now, with Mr Primakov unlikely to seek to succeed Mr Yeltsin, the lead candidates for elections due in 2000 are already limbering up.

Mr Chernomyrdin's furious televised outbursts yesterday over his treatment sounded like the first shots in a presidential campaign. But without the prime ministerial job his chances are slim.

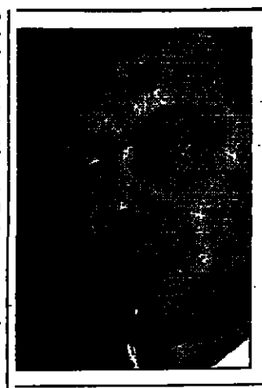
He claimed it had been his decision to withdraw his candidacy to prevent "civil strife", he accused the left-patriot opposition of trying to seize power unconstitutionally, and he warned Mr Yeltsin to show strength of will.

"Remember how the Munich pact ended," he said, referring to Neville Chamberlain's appeasement of Nazi Germany. "Something very similar is brewing here."

The more serious contenders for the presidency in 2000 welcomed Mr Primakov's nomination. "It's a victory ... the result of a compromise between differently biased political forces. I welcome this decision," said General Alexander Lebed, governor of Krasnoyarsk in Siberia. "The absence of authority, bordering on chaos, was dangerous for Russia."

Yuri Luzhkov, mayor of Moscow, who until yesterday had been a hot tip to head the government himself, said: "This is the best compromise."

The acting ministers of defence and the interior were quick to offer their support to Mr Primakov.



'It's a victory. The absence of authority, bordering on chaos, was dangerous'

Alexander Lebed

Despite the optimism, and the second sharp rise in the value of the rouble on the Moscow currency exchange in two days, there are signs that a Primakov cabinet will soon run into difficulties.

Assuming he is approved, Mr Primakov, who has no grounding in economics, will then have to pick a team to tackle the financial crisis, the collapse of the Russian banking system and the loss of trust from Western lenders which have led to empty shelves and empty purses in the country of 146 million people.

The most likely candidate to lead such a team is Yuri Maslyukov, a close associate of Mr Zyuganov's and a former Soviet planning minister. This will raise hopes among the Communists and their allies of a sharp change in economic course away from the free market towards greater state intervention, price-fixing and a declarative value for the rouble. Their disappointment will be swift and vengeful if this turns out to be harder than they imagine.

Another potential minister is liberal leader Grigory Yavlinsky, who first proposed Mr Primakov for the job. But as an ambitious politician and an avowed supporter of untrammelled democracy and the free market, he might come into conflict with the more interventionist Mr Maslyukov.

The battle is over, but who has won and what is lost?

HAD there been a belfry on the ugly old Duma building opposite the Moskva Hotel yesterday, it would have been pealing out a jubilant hosannah.

When the federal courier arrived from Boris Yeltsin's country residence with the news that the president had yielded to parliament and public opinion and nominated the foreign minister, Yevgeny Primakov, to head a new government, relief and triumph swept through the Duma.

It was not just that Mr Yeltsin had blinked first in the battle of wills between presidency and parliament. It was not just that MPs, steeling themselves for a final vote on the despised Viktor Chernomyrdin, no longer had to choose between surrender and expulsion from the Duma's comfort zone.

What was extraordinary

> Never before have the security ministries had one of their own as prime minister

was that Mr Yeltsin had, for the first time, openly taken up a suggestion by one of his fiercest parliamentary opponents — Grigory Yavlinsky, leader of the Yabloko left-liberal movement, who astonished Russia on Monday by first suggesting Mr Primakov's name.

What was not clear was the real nature of the victory. Had parliament defeated a too-powerful presidency? Had Mr Yeltsin's aides overcome a sick patriarch too weak, physically and politically, to resist their wheeler-dealing?

Or was it a personal victory by Mr Yeltsin over himself: the dark, stubborn, authoritarian side overcome by his sense that his country, slowly throttled by economic disaster, desperately needed a compromise?

There is little doubt that the Duma will give Mr Primakov a thumping majority today. Apart from the extraordinary outbursts of the bitter Mr Chernomyrdin and the camp rantings of the bogus ultra-nationalist leader Vladimir Zhirinovsky, the country's power brokers choired the praises of the elderly ex-spy chief.

Even Boris Berezovsky, the manipulative super-tycoon who gave his battered protégé Mr Chernomyrdin time on his television channel yesterday to address an indifferent populace on the unfairness of it all, was none the less obliged to chum up to the new nominee.

"This is certainly a decision with a plus sign in today's extremely complex situation," he said.

Mr Yavlinsky, who emerges greatly strengthened from Russia's three-week political upheaval, suggested that Mr Primakov should become prime minister as far back as April, after Mr Chernomyrdin had been sacked and the president was browbeating the Duma into accepting Sergei Kiriyenko. No one noticed.

This time the liberal leader hit the mark. In an interview in the weekly Obshchaya Gazyeta yesterday, he said Mr Primakov's most important role would not be to rescue the economy but to protect the constitution.

Only Mr Primakov, with his cross-party support in parliament, the trust of Mr Yeltsin, the backing of the security forces and his lack of ties to a business lobby or political movement, could ensure that the next presidential election — due in 2000, but sooner if Mr Yeltsin's health fails him — went ahead freely and fairly.

"There can be no cardinal changes in the economic set-up until after presidential elections," he said.

Constitutionally, the prime minister takes over as head of state if the president dies, resigns or becomes incapacitated. Mr Yavlinsky accused Mr Chernomyrdin of having planned, once he was appointed prime minister, to hasten Mr Yeltsin's departure from the scene and get himself elected on a flood of newly-minted roubles.

"His appointment would have been a greater catalyst for Mr Yeltsin's resignation, because Chernomyrdin, unlike Primakov, wants to be president.

When the jubilation fades away and Mr Primakov is acclaimed into office, two uncertainties will remain: what kind of government will Mr Primakov pull together, and has the Duma won anything more than a temporary breathing space as long as the vast presidential powers remain for a future authoritarian leader to win.

Mr Primakov finds himself in a more powerful position than any previous Russian prime minister. Never before have the security ministries — defence, interior, security — had one of their own people in charge of the government.

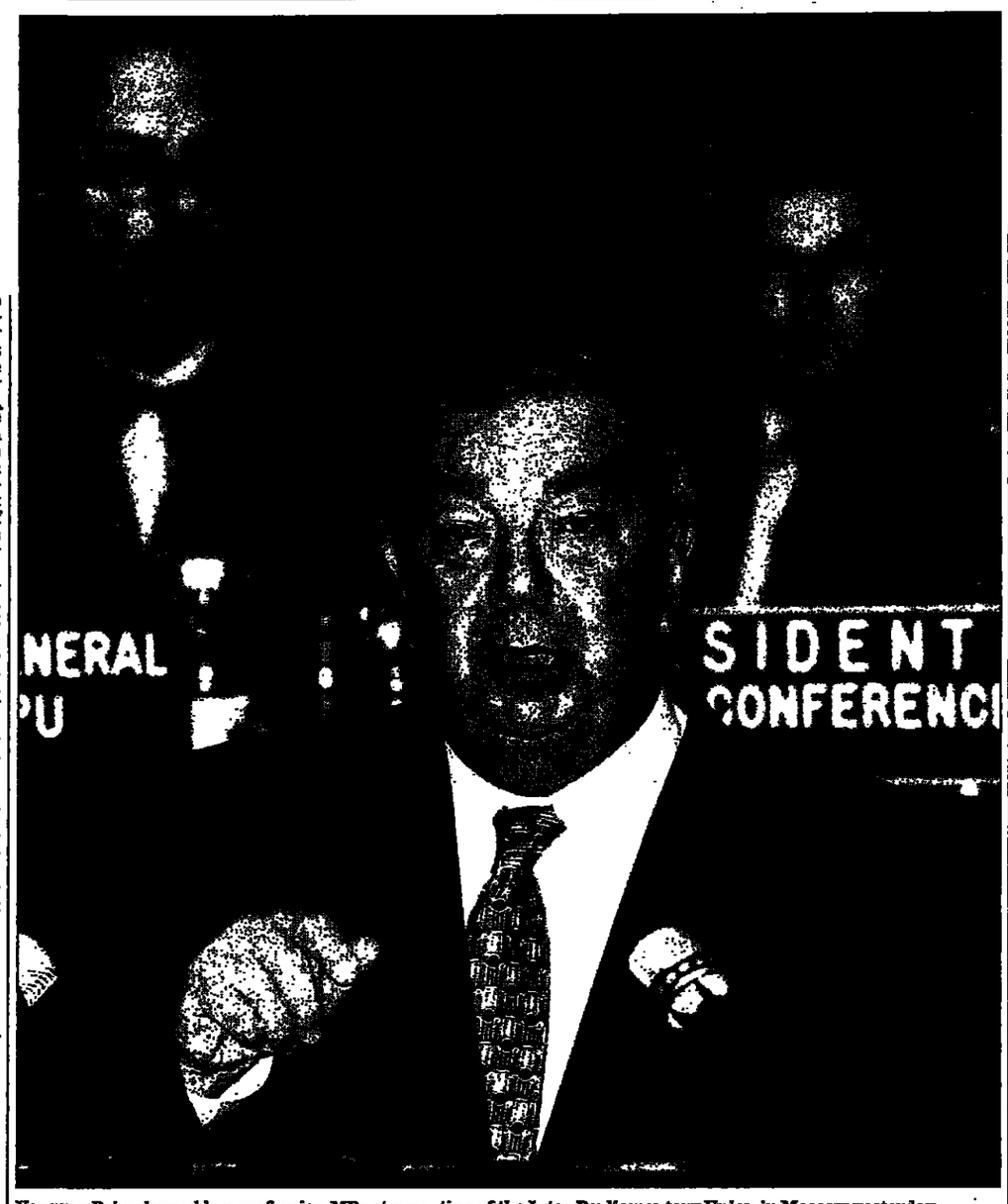
Never before has the prospect of a sustained honeymoon with parliament offered a new government such chances to push through the laws needed for new economic strategies.

But Mr Primakov, who has age and health problems of his own, has an economic emergency on his hands.

The rise in the rouble over the past two days does little to compensate Russians for their enormous impoverishment since devaluation began. Very soon his new team will face a tough choice: stick to a tight money policy, which will quickly alienate the Duma, or print roubles, which could push the currency down to 30 to the dollar in no time.

He may be unaware of the limited room for manoeuvre. And although the man likely to be his economic guru, the former Soviet planning minister Yuri Maslyukov, is far from the command-economy freak he is often painted, he too may have unrealistic hopes of the resources available to revive the industrial base.

The danger for the Duma is that, drunk on victory, it may abandon the struggle with the presidency: the fight for amendments to the constitution to deprive the institution of the powers it wields.



Yevgeny Primakov addresses foreign MPs at a meeting of the Inter-Parliamentary Union in Moscow yesterday

Chameleon who must learn to change again

A PARADOX surrounds Yevgeny Primakov. Although he is pilloried in the rightwing Western press as a hardliner, he has overseen such humbling moments for Russia as the first phase of Nato expansion and the carve-up of the Black Sea fleet.

Mr Primakov, who will be 69 next month, certainly fits the Western image of an old Soviet bureaucrat, with his heavy jowls and eyebrows. But this is also the man who dressed up as a sailor and sang a duet from West Side Story with Madeleine Albright.

"Make no mistake, Primakov is a hard taskmaster, a tough leader," one former colleague said yesterday. "But he has a vision of Russia as a civilised member of the world community. When Russia does something extreme, absurd or outrageous, he cringes."

An intellectual and an expert in Middle Eastern affairs, Mr Primakov tends to be tagged "spymaster", due to his spell as head of Russia's foreign intelligence service from 1991 to 1996.

Born in Kiev, Mr Primakov grew up in Tbilisi, Georgia. After studying in Moscow, he worked as Pravda correspondent for the Arab world from 1962 to 1970, where he came across Saddam Hussein.

He moved into the upper echelons of the Communist Party while working in academia, but came to the attention of the wider world during the Gulf crisis of 1990-91, when, as Mikhail Gorbachev's envoy, he tried to broker peace between the allies and Baghdad.

Although the depth of his personal relationship with the Iraqi leader is uncertain, many US and British commentators have accused him of being Saddam's champion.

Mr Primakov's accession to prime minister means he becomes acting head of state if President Boris Yeltsin should die, resign or become incapacitated. However, he is not thought to have presidential ambitions. His own health is in doubt. He had an operation to remove gallstones in May.

As well as he knows the world, it is unclear how well he knows the modern Russia of supermarkets, traffic jams, casinos and begging conscripts.

Mr Primakov came into the foreign minister's job in January 1996 trailing clouds of nationalist rhetoric. But he never showed it under the pro-Western Mr Yeltsin. He is adapatable.

In 1996 one Moscow newspaper called him a chameleon. Now Mr Primakov must change again.

Western capitals united in praise for the pragmatist

Ian Black, Diplomatic Editor and Ian Traynor in Bonn

WESTERN governments reacted positively to the nomination of Yevgeny Primakov as Russia's prime minister and said he could restore the confidence of the international community after weeks of crisis.

"Obviously the United States knows and respects the foreign minister," said the White House spokesman, Mike McCurry. "We've worked closely with him."

In London, the Foreign Office said: "It's for the Duma to decide on the suitability of this nomination. But we hope they will do this quickly and the new government will reconfirm Russia's commitment to structural reform and sound economic policies."

Hans Van den Broek, the European Union foreign affairs commissioner, called Mr Primakov a "trustworthy and highly competent" man whose leadership would help begin to solve Russia's economic woes.

Mr Primakov spoke by phone with Klaus Kinkel, the German foreign minister, who said the nominee enjoyed great prestige in his country and assured him he could count on Germany as a "close partner".

In Poland, which is acutely anxious over the crisis in neighbouring Russia, President Aleksandr Kwasniewski praised "realist" Mr Primakov.

Two high speed offers that know no compromise.

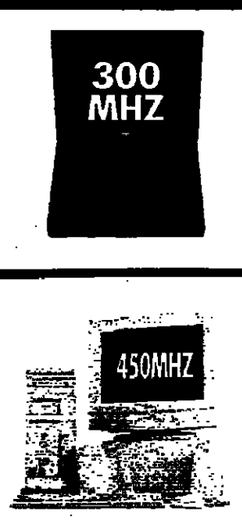
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News in brief

Taliban says Iranians killed by its fighters

AFGHANISTAN'S Taliban movement said yesterday it had found the bodies of nine Iranian diplomats whose disappearance has sparked tension with neighbouring Iran.

A senior Taliban spokesman, Wakil Ahmed, told the Afghan Islamic Press that the bodies had been recovered near the northern town of Mazar-i-Sharif, which the Taliban seized from opposition factions last month. Its fighters had killed the diplomats "on their own without any orders". The spokesman said the Taliban was prepared to hand over the bodies to Tehran and punish those responsible for the deaths. — *Reuters, Islamabad.*

French minister conscious

THE French interior minister, Jean-Pierre Chevènement, recovered consciousness yesterday, more than a week after falling into a coma following an allergic reaction to anaesthesia during routine surgery. He was able to recognise family members, the defence ministry said, but was still on breathing equipment and kidney dialysis. It had no word on the extent of any brain damage he may have suffered.

Dr Yves Cudennec of the Val-de-Grace military hospital, where Mr Chevènement was admitted for a gallbladder operation last Wednesday, denied that medical errors were responsible for the accident. He said the minister had two separate anaesthesia consultations before the surgery. — *Jon Henley, Paris.*

Anger at dirty war jailings

THOUSANDS of socialist supporters, led by the former prime minister Felipe González, protested angrily yesterday as a former interior minister and his deputy were each jailed for 10 years for their part in the "dirty war" against the Basque separatist group ETA. "This a legal but unjust move. We are innocent ... we will take our appeal to the highest courts," said José Barrionuevo, interior minister from 1982 to 1988, before being escorted to a prison 30 miles east of Madrid, accompanied by his former national security chief, Rafael Vera.

Ten former officials and policemen, also convicted for the kidnapping in 1983 of a man mistaken for a Basque terrorist, remain free while their pleas for pardon are processed. Barrionuevo and Vera refused to request a pardon because it would imply that they were admitting their guilt. Mr González claims that the trial was part of a political coup mounted by the centre-right Popular Party to oust him from power. — *Adela Gooch, Madrid.*

Pressure mounts on cardinal

THE archbishop of Naples faced mounting pressure yesterday as newspapers published details of the investigation against him for alleged usury, and leading commentators called on him to resign.

A prosecution document claims Cardinal Michele Giordano's brother, Mario Lucio Giordano, who is accused of being at the heart of a loan-shark ring in southern Italy, received more than £250,000 from the Naples archdiocese, some of which they believe financed his loan-sharking. — *Philip Willan, Rome.*

Italian fugitive tracked down

LICIO GELLI, the fugitive former head of Italy's illegal P2 masonic lodge, was arrested yesterday in the French resort of Cannes after almost five months on the run. He was found wearing a false beard and in possession of false papers. Police tracked him down by following his daughter-in-law.

Gelli, aged 79, disappeared in April, on the eve of an appeal court verdict confirming a 12-year prison sentence for his involvement in the fraudulent bankruptcy of the Banco Ambrosiano. Italy's largest private bank collapsed in 1982 after its chairman, Roberto Calvi, was found hanging under Blackfriars Bridge in London. Gelli and an accomplice were convicted of embezzling some £87 million from the bank. — *Philip Willan, Rome.*

Rocket launch goes awry

A ROCKET launched by Russia yesterday to put 12 American commercial satellites into orbit failed minutes after blast-off and burned up in the atmosphere along with its cargo. The Russian Space Agency blamed the Ukrainian state-owned rocket manufacturer, Yuzhnoye, for the failed launch. — *AP, Moscow.*

Police to get £18 for an arrest

MEXICO City's new police chief has devised a scheme to make his officers more "productive" — an £18 cash bonus every time they arrest a criminal. Although the plan is meant to renew the city's confidence in its force, critics say it will simply encourage officers to arrest anyone for the extra money. — *AP, Mexico City.*

Paper dreams start to flower



Eun-Young Lee from South Korea hangs up silk flowers in preparation for an exhibition of paper art which starts tomorrow in Hamburg, Germany PHOTOGRAPH: KAY NIETFELD

Ads tax sense of humour

THIS Dutch tax service has lost its lawsuit against an optician chain which lampooned the agency's television advertisements. A court in Utrect said "the law should leave room for a laugh".

The tax service had argued that Pearle Vision Centres stole its six-year-old slogan, "We can't make it nicer, just easier". Pearle's television spots say, "We can't make it nicer, just cheaper".

The ads, which have amused many Dutch since they first appeared late last month, feature a woman with the same hairstyle and mannerisms as the announcer in the tax service's public service spots. — *AP, Utrecht.*

Just who are the Quakers?

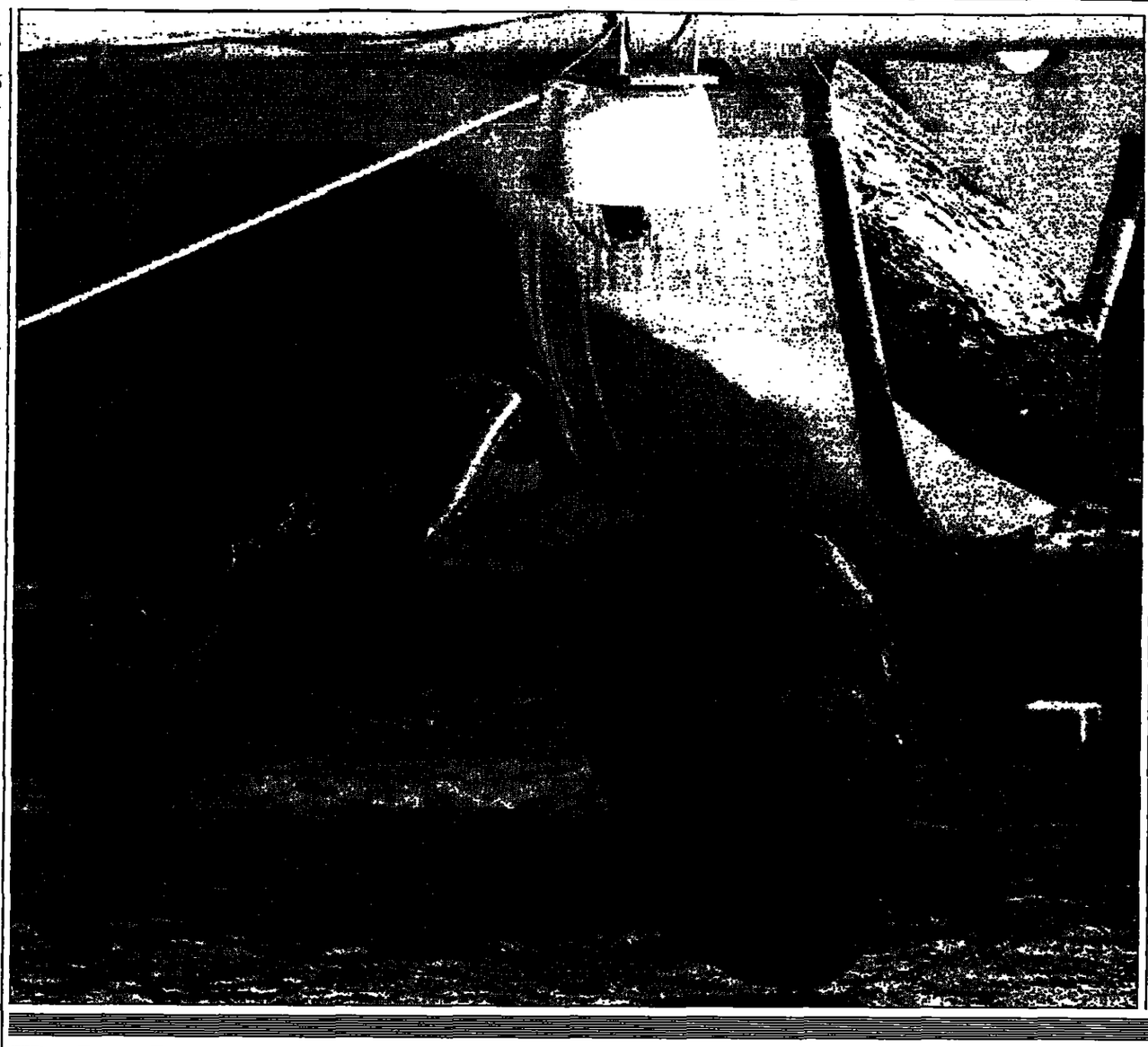
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Keiko at home in the waves

Bernard Scudder in the Westman Islands

THE Hollywood killer whale Keiko arrived to a hero's welcome in Iceland yesterday, the culmination of a four-year campaign to return the 5-tonne celebrity to the North Atlantic waters from which he was taken in 1979.

The star of the Free Willy films coped well in an iced-water-filled box for a 14-hour journey — including a 9-hour flight — from an aquarium in Newport, Oregon, to the Westman Islands off Iceland's south coast.

Bob Ratliffe, vice-president of the Free Willy Keiko Foundation, said: "There was no vocalising, which is a sign of disturbance, except when he went into the box. He was breathing comfortably the whole time and is doing terrific now."

Children, given the day off school for the occasion, and about 200 journalists greeted the whale at the airport on Heimaey Island, from where he was driven three miles to the habour and put on board a barge.

Keiko was lowered into a floating pen (left) where he will spend the rest of his life — at a cost to the foundation of $1 million a year — if his handlers decide it is not safe to let him into the open sea.

PHOTOGRAPH: CHRIS HELGREN

Britain scorned for ambiguity on Yugoslav air ban

Iain Traynor in Bonn

BRITAIN was strongly criticised in Germany, Brussels, and elsewhere in Europe yesterday for breaking rank with the rest of the European Union by refusing to deny landing rights to the Yugoslav airline JAT, after voting at the weekend in favour of the ban.

Officials in Bonn condemned the British stance as a "disastrous signal" to the regime of President Slobodan Milosevic of Yugoslavia. The European Commission suggested that Britain could be taken to the European court for breaching EU regulations.

The JAT ban, which the EU agreed on three months ago as part of its package of sanctions against Belgrade because of the conflict in the province of Kosovo, was only implemented this week after EU foreign ministers meeting in Salzburg at the weekend reached a "political consensus" on the measure.

Greece, a traditional ally of Belgrade, which had been threatening for months to block the agreement, abstained in the vote.

London maintains that a civil air traffic agreement with Belgrade which predates Britain's EU membership obliges the Government to give 12 months' notice if it wishes to suspend landing rights.

Belgrade says it has such agreements with most EU countries, and may sue them for implementing the EU ban. Bonn and Brussels argue that EU law supersedes bilateral agreements between member states and third countries.

> Bonn officials condemned the stance as a 'disastrous signal' to Belgrade

The shadow foreign secretary, Michael Howard, also attacked the Government's stance.

"The situation in Kosovo deteriorates daily, with reports of atrocies appearing with horrifying regularity," he said in a letter to the Foreign Secretary, Robin Cook.

"What signal ... is provided to Milosevic if Britain is now seen to be undermining even those limited measures which have been agreed against Serbia?"

At the last German cabinet meeting before the elections on September 27, Chancellor Helmut Kohl demand EU solidarity towards Mr Milosevic, and government officials said that the Yugoslav president would be slapping his thighs with delight at the latest sign of European disagreement on Serbia and Yugoslavia.

German commentators were scathing about Mr Cook, who did not attend the Salzburg meeting because he was on holiday.

The JAT ban was decided in June while Britain held the EU presidency.

"Cook has chosen to disappear off on his honeymoon and send his minister for Europe [Joyce Quinn] because the latest foreign ministers' meeting in Salzburg was embarrassing for the British," the Stuttgarter Zeitung commented.

The heavyweight Frankfurter Allgemeine said Britain's refusal to implement the ban made the EU a laughing stock in foreign affairs.

Until JAT flights were banned this week, Germany had been using them to send Kosovo Albanian asylum-seekers back to Yugoslavia. It cannot return them by land.

Despite the German criticism of Britain, the German interior minister, Manfred Kanther, is now believed to be considering whether he can continue deporting the Albanians via the four JAT flights each week from London Heathrow airport.

Bosnia poll hope for moderates

Jonathan Steele

MODERATE Serb politicians are set to increase their support in this weekend's Bosnian elections, according to Western administrators based in the country. However, progress towards reversing the ethnic cleansing of the four-year war is slowing down.

Hopes are high that the hardline nationalists who dominated politics in the Bosnian Serb entity will lose more ground in the poll, the third in two years.

The hardliners, who are based in Pale, lost control of the Republika Srpska parliament last year, when Milorad Dodik, a moderate businessman, became prime minister with a narrow majority of two seats. Based in Banja Luka, he has since been strongly supported by Western governments which have poured funds into the region.

Western officials are also closely watching the contest for the Serb seat in the three-man collective presidency of Bosnia, to see if a Dodik ally can unseat Momcilo Krajisnik, the last strongman from Pale who still wields power.

In spite of the shift among the Bosnian Serbs away from hardliners, steps towards recreating a multi-ethnic Bosnia are taking a long time.

The number of "minority returns" — Bosnians moving back to areas where they used to live which are controlled today by a different ethnic group — has slowed down. Most refugees go to areas where their group is dominant.

This year was dubbed "The Year of Return", but only 11,000 minority returns occurred up to July, compared with a United Nations High Commissioner for Refugees' target of 50,000 for 1998. This contrasts with 45,000 minority returns in the first two years after the ceasefire and the Dayton accords.

The Croats of Bosnia have also split. Kresimir Zubak, the Croatian member of the collective presidency, is struggling to retain his position against Ante Jelavic, a hardliner supported by the Croatian president, Franjo Tudjman.

The Organisation for Security and Co-operation in Europe has disqualified some of Mr Jelavic's parliamentary candidates because of persistent one-sided reporting on Croatian state-run television.

Among the Bosnian Muslims, a similar struggle with moderates is unlikely to threaten the nationalist president, Alija Izetbegovic, who is standing again.

Cars face the guillotine to restore Parisian concord

Jon Henley in Paris

The Place de la Concorde, in theory the grandest and most harmoniously designed square of the French capital, but in practice a snarling, object lesson in Parisian driving habits, could be free of cars by 2000.

The mayor, Jean Tiberi, is studying proposals to return one of the city's most historic sites to people who have been reduced to huddling nervously around its edges. The options range from a 20 per cent cut in traffic to a complete ban on private cars and coaches.

"The mayor and council favour the latter solution, on the grounds that if you do a job at all you might as well do it properly," a spokeswoman said.

The square, which was renamed the Place de la Révolution within 25 years of its opening in 1763, and played host to the guillotine, is used by more than 10,600 cars an hour during the evening rush.

"Finally, the square will be used for its intended purpose — a place to talk, walk and meet people," the spokeswoman said. "It will be a revolution all of its own."

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A Sudanese boy helps his malnourished brother to drink at an emergency feeding centre in Bahr el Ghazal province, in the south

PHOTOGRAPH: ALESSANDRO ABBONIZIO

A little life revives among Sudan's children of famine

John Vidal sees looming death and rising hope at an emergency feeding centre in the southern town of Mapel

THREE flies settle on Martin's face. Cradled in his sister's arm, the infant stares out at the intensive feeding centre where he will surely die. His belly is as swollen and empty as the tiny gourd that lies upturned on the ground in front of him.

His eyes are listless. He looks bewildered and barely breathes. His skin is cool, his pulse slow and feeble. His sister brushes the flies away, but he does not register.

It is peaceful here beyond the village and below the ancient spreading lulu trees which provide shade but, for the first time anyone can remember, have borne no fruit.

Around Martin lie 80 or more acutely malnourished children under five. They huddle together on the white plastic sheeting, some in one another's arms, some with their mothers, a few alone.

Two of them are being fed by pipette, two more by teaspoon. One has been squatting in the same position for 15 minutes. The flies settle in his hair; he tries to wave them away, but can only just lift his right arm. Thin as the twig fence that circles the centre, it is too weak to reach his head.

Some children hold their mothers' bellies, others cling to empty breasts. A few nestle under blankets. Most sleep.

Hunger will not kill them, say the Sudanese and international volunteers who work all day and night here, but the diseases that come with it: malaria, scabies, anaemia, TB. Some may die of cold.

In the past two or three weeks the number of children admitted to this Médecins sans Frontières centre has fallen, and far fewer deaths have been recorded. A month ago 10 children a day were dying: now it is fewer than five. But last week an average of seven acute cases came in each day.

Some of those admitted came from distant communities which the emergency food supplies failed to reach. A quarter were re-admissions, children whose condition deteriorated rapidly when their mothers could not find food after they left.

Nevertheless, this is a success story. More than 1,000 children have been saved here in the past two months. Many improve quickly after they are admitted. Their wrists fill up the plastic identity tags and the smiles return. If all goes well, their eyes are soon brighter.

A few cry lustily and gulp down the milky porridge that comes seven times a day in red plastic bowls. Several smile. Those ready to leave are beginning to play.

Their prospects are good. If they make it beyond the twig fence there is abundant life. The sorghum is high and bursting with ripening grain. The worst is past and the market is filling again, with people if not yet with food.

Libya letter holds key to Lockerbie bomb trial

Ian Black
Diplomatic Editor

LIBYA has given its first practical response to the Anglo-American offer to try the Lockerbie bombing suspects in The Hague, and is seeking to clarify key details, it emerged last night.

Officials in New York confirmed that the United Nations secretary-general, Kofi Annan, had passed to Britain questions from Tripoli about how the unique trial, under Scottish law, would be conducted.

There have been conflicting statements from Colonel Muammar Gadafy and other Libyan spokesmen, as well as comments made by lawyers for the two intelligence officers accused of the December 1988 bombing of Pan Am flight 103, in which 270 people died.

Foreign Office sources said last night that they were waiting to see the Libyan response, handed to Mr Annan when he met the Libyan foreign minister, Omar al-Muntasser, at the non-aligned summit in South Africa last week and since turned over to the UN's top legal officer, Hans Corell.

London and Washington insist that their offer is not negotiable, but diplomats believe Mr Annan can act as a go-between, and that Colonel Gadafy is now more likely than not to hand over Abdel Basset Ali Mohamed al-Megrahi and Lamen Khalifa Fhimah. The Security Council has agreed to lift economic sanctions on Libya if it surrenders them.

"These are uncharted waters but I think in the end the Libyans will jump in and swim along," said one well-placed Arab source.

Mr Annan said Mr Muntasser had "confirmed ... that they [the Libyans] are prepared to comply with the decision of the [Security] Council ... but there are certain things in the fine print they would want some clarification on."

One obvious sticking- point is that, if convicted, the suspects must serve their sentences in Britain. Last Saturday, Col Gadafy said the men should serve their time in Libya if they were found guilty.

Italy, pushing hard for normalisation of relations with Libya, its former colony and supplier of 30 per cent of its oil, will urge Tripoli to comply.

"If we remove the obstacle of Lockerbie, I think we can reintegrate Libya, which is an important Mediterranean country, into the area," said Lamberto Dini, the foreign minister.

In a related development, the president of the tiny West African state of The Gambia has flown to Libya, becoming the latest of several African leaders to violate the UN air embargo, Egypt's official news agency reported yesterday. President Yaya Jammeh arrived in Tripoli on Wednesday and will take part in the extended celebrations of the 29th anniversary of the coup that brought Col Gadafy to power.

'In the end the Libyans will jump in and swim along,' said one Arab source

Earlier this year US and British officials claimed that Libya had paid off The Gambia's debt to the UN in exchange for the rigging of a general assembly debate about the Lockerbie sanctions.

Last Saturday — the anniversary of the coup — the presidents of Sudan, Chad, Niger, Mali and the Central African Republic flew to Libya in violation of the UN ban on flights to and from the country.

Analysis, page 11

Indonesia's students direct wrath at Habibie

John Aglionby in Jakarta

HUNDREDS of Indonesian university students marched on the presidential palace in Jakarta yesterday, demanding President B. J. Habibie's resignation unless he can bring down food prices by the end of the month.

More than 1,000 troops and riot police blocked the march about 100 yards from the building where Mr Habibie was working, but no attempt was made to disperse the demonstrators. They left peacefully after listening to speeches and singing for several hours.

"Habibie has allowed the price of rice to double in a couple of months," said the students' leader, Yutianto Wibowo. "Millions of people can now only afford to eat once a day.

"We have to take to the streets because that's the only language he understands. ... If things haven't changed by the end of the month, then he must go."

It was the third big protest this week, the first week of the new academic year. On Monday thousands forced their way into the heavily guarded parliament complex in Jakarta until bayonet-wielding soldiers evicted them.

Two days later thousands more took to the streets of the city of Surabaya to disrupt a visit by Mr Habibie.

Mr Wibowo said the students were ready to pick up from where they left off in May, when mass protests toppled Suharto, the country's dictator for 32 years.

"The current government is no different from the Suharto regime and is failing to end the crisis in the same way Suharto did," he said.

East Asia's economic turmoil has hit Indonesia harder than any other country. The rupiah has collapsed against the dollar by more than 80 per cent and the private sector is all but bankrupt.

Mr Habibie has started to reform the country's battered banking sector, issued a bankruptcy law and allowed a multi-party system to develop. But he has made no attempt to end the culture of corruption and appears unable to control the rise in the price of basic goods.

Sporadic food rioting and looting of shops and rice warehouses is taking place on a daily basis. The army has promised to crack down.

The students, however, are nowhere near as united as they were when campaigning against Suharto. The once rock-solid campaign, it is clear, is fragmenting.

"Previously we had a common goal — getting rid of Suharto," said Tommy Rahadita, a member of the student senate at Trisakti University in west Jakarta. "Now there is no one issue.

"Some students want to force Habibie out while others are focusing on lowering prices, helping the poor, campaigning against the military's political role or fighting corruption."

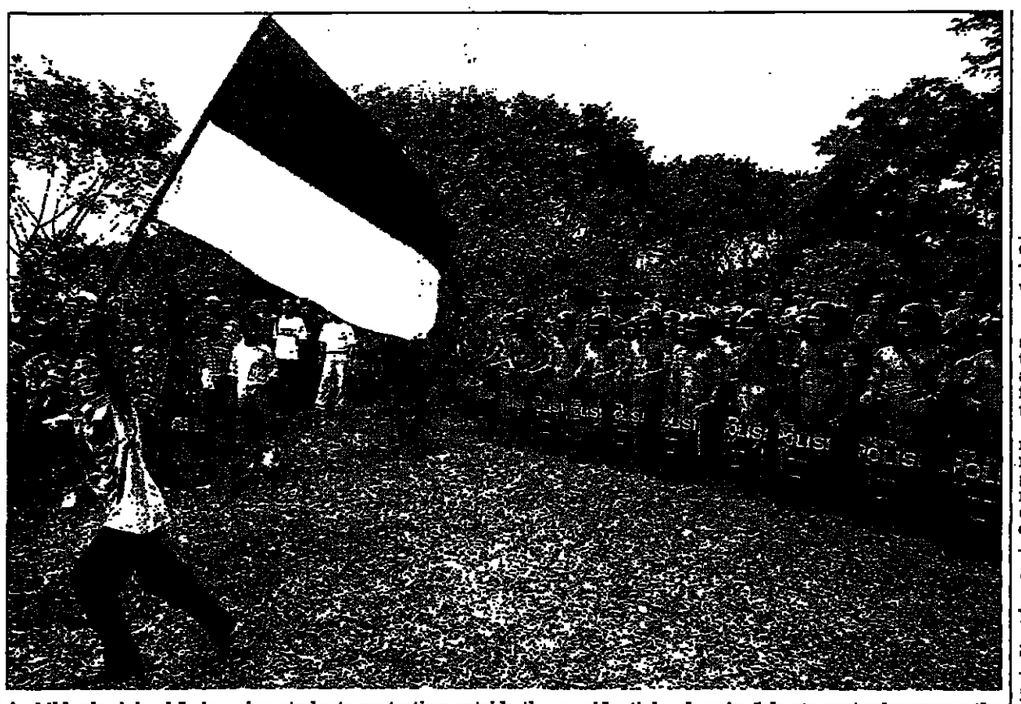
Interwoven in all this are vested interests. Students from the smaller private institutions are at odds with those from the more prestigious state universities, and the two groups rarely communicate.

Not all students agree with Mr Wibowo's confrontational tactics. Mr Rahadita said: "In a crisis like this people have to work together. But after 32 years of being trampled on and set against each other they have to be taught how. This cannot be done by demonstrating on the streets."

Students from Trisakti university are about to tour eastern Indonesia to find out views in the outlying regions and what action the provincial students are planning, so that it can be co-ordinated.

Syahnan Poerba, an economist, says this is the right approach because the country's problems have changed since May — the main issue now is food prices.

"They are not in a position to do much about that. Mass street protests might force Habibie out of office, but they will not make rice cheaper."



A child who joined Indonesian students protesting outside the presidential palace in Jakarta yesterday waves the national flag in front of a cordon of riot police

PHOTOGRAPH: MAYA VIDON

Corruption threatens Bangladesh's gas bounty

Fuel giants are on the verge of a walkout, claiming corruption, writes **Suzanne Goldenberg**

WHEN the American oil giants descended on Bangladesh, raring to do business, government officials were stunned. The oil executives came because Bangladesh has gas — enough for itself and to export to India, transforming the economic prospects of one of the world's poorest countries.

The government was also eager to attract foreign investors to its largely uncharted geological terrain, and invited bidding for exploration licences on 15 gas blocks.

"When the bidding was announced all the companies were falling over each other to bid for the blocks on offer," said Ton van der Helm, Shell's general manager in Bangladesh. "It took the government by surprise."

The oil companies were attracted by a seemingly clear-cut tender process. But a year later, the government has awarded only some of the blocks, and, crucially, has reserved its verdict on three of the best properties.

In two of these, Tullow, a small Irish exploration firm, came up with the winning bid, angering its powerful rivals. Some of the major firms are so disgruntled they are on the verge of leaving, again emphasising that Bangladesh's problem is not just poverty, but governance.

With the delay have come charges that the rules were changed to favour some companies — especially those who had deployed Bangladeshi agents to ease their passage through a notoriously corrupt society.

"The scenario can be that the country is going to go the way of Nigeria, where resource wealth is misused by a small minority," said a local businessman. "Or the scenario could be like Malaysia, where the resources are used for building infrastructure and there is entrepreneurship."

Officials at Petro Bangla, the state-owned oil company, say the government has proceeded slowly because it does not want to squander a golden opportunity. They claim the government hopes to finalise contracts later this month.

Meanwhile, public opinion is turning against the foreign firms. At the weekend, a conference of economists, politicians and technical experts called on the government to champion the state-owned oil firm, and to keep the best gas blocks for Bangladesh.

Underlying such nationalist sentiments is the question of what to do with the surplus gas. Selling to India's vast and hungry energy market is an explosive issue in Bangladesh.

The opposition leader, Begum Khaleda Zia, has made a career of haranguing the government for being pro-India. The prime minister, Sheikh Hasina Wazed, is so afraid of provoking her rival that the question of gas exports has yet to be broached.

Much of the controversy centres on Tullow. Its beaten rivals claim the Irish company's bid was "outrageous, totally unsuitable". Tullow promised to drill 10 oil wells on its plot, spending a reported $58 million (£36 million), some $13 million more than its closest competitor. The government has tried to induce Tullow to team up with such giants as Chevron and Mobil. However, the major firms are unenthusiastic, and Mobil has scaled back its operations in Bangladesh.

The winning bidders are prepared to wait for the government to open negotiations on a final contract. But not indefinitely. "If things don't happen very quickly, there will be a missed opportunity," said Richard Heaton, general manager in Dhaka of the Scottish firm Cairn Energy. "The oil industry is in the doldrums. Bangladesh could be forgotten."

Shocking old ways die hard in Turkey despite drive to end police torture

Chris Morris in Izmir

VEDAT Zencir carefully turned the small handle. "This one is for electric shocks ... and that one over there", he said, moving across the dimly-lit room, "is for hanging a suspect from the wall — like this."

In the small, humid basement of Izmir's newest and most unusual museum, a grisly array of torture implements is unceremoniously displayed — a cage, a few chains and some nasty-looking bits of wire.

'This one is for electric shocks, and that one over there is for hanging a suspect from the wall, like this'

Situated on a quiet side street in an old part of town, the privately-financed Freedom of Expression Museum also contains a collection of books and newspapers banned by state censorship, as well as photographs of writers and artists in jail.

The Turkish government has declared 1998 the Year of Human Rights and has just announced new measures to try to stamp out the use of torture in custody. But this dingy Izmir basement is a reminder of the potential dangers still facing those who step out of line.

"We want to remind visitors what can happen here when people express their opinions", said Mr Zencir, the museum spokesman. "Torture still takes place — everybody knows it."

The museum was criticised in some quarters when it first opened, but the authorities have left it alone. It is both an example of the growth in grassroots human rights activism and a reminder of how far the movement has to go.

Turkey is an increasingly-free society, with a flourishing media scene and an argumentative parliament. Some subjects, however, remain taboo. The catch-all "crime" of "inciting hatred" is regularly used to imprison anyone speaking out in favour of rights for the Kurds, or radical Islamic politics.

Turkish officials tend to fall back on the old argument that as their constitution guarantees human rights, there is no real problem. A consultative council has been set up to overhaul the state's response to human rights abuse, but progress has been slow.

"Sometimes you can have good laws but bad implementation," admitted the human rights minister, Hikmet Sami Turk. "That's why we're concentrating on human rights education."

Police academies and military schools now include human rights lectures as part of their basic training and the government says it is committed to change. But the message has yet to filter down to some parts of the state security system.

Last week in Izmir, zealous police officers arrested four young girls aged between 11 and 15, who were dancing on a city street to raise money for homeless children. Their crime was to paint their collection boxes red, yellow and green – the colours of Kurdish nationalism used by the PKK rebel movement.

"Our European friends should show some understanding — we are moving in the right direction, said Mr Sami Turk defensively.

Turkey certainly has a more accountable system than some of its neighbours, such as Syria, Iran and Iraq. None of them, however, wants to join the European Union. It is by western European standards that Turkey will be judged.

For Emrah Sait Erda, it is all rather academic. He is one of a group of young people from the Izmir region who say they were tortured by the police two years ago, during 11 days of detention. He subsequently spent more than a year in jail before being freed. He is still waiting for the justice system to issue a verdict against the officers involved.

Sitting with his friends on a sea wall overlooking Izmir's busy harbour, he shrugged when asked about the Year of Human Rights. "It sounds rather comic to me," he said. "It's just a promise ... and Turkey is a land of promises."

Analysis
Libya



The scandal of Man U 12

Desert colonel still going strong

Libya's "Brother Leader of the Revolution" is still there after 30 years, and still on top after sanctions and bombing. Despite Lockerbie, there's a growing sense, says **Ian Black**, that in an unstable world Gadafy, the devil we know, has some attractions.



Gadafy: A comic opera uniform and the features of an ageing rock star

Muammar Gadafy has been busy over the last few days, embracing African leaders as they have flown in for the lavish celebrations, held each year, of the coup that brought him to power in 1969. Without his customary comic-opera, epaulette-heavy uniform and despite being confined to a wheelchair after breaking his hip, his ageing rock star features have seemed calm. Rambling as ever, what he has had to say about the latest dramatic twist in the Lockerbie bombing affair, has been lucid. He is on top of things.

Starting his 30th year in office, the "Brother Leader of the Libyan Revolution" looks in good shape. Problems he certainly has, but the economy of his *Jamahiriya* — the Arabic neologism for his unique, often bizarre "state of the masses" — is still based firmly on oil and European companies are still queueing up to extract. And for his (few) friends and (many) enemies alike, he is at least the devil they know.



Gadafy lives in a tough neighbourhood. To his west the Algerian regime is keeping the lid on a bloody Islamist insurrection. In Tunisia, anxious to forge links with the European Union, President Ben Ali has no qualms about repressing his opponents. Egypt's Islamist militants have been largely contained. Gadafy's relations with its president, Husni Mubarak, the largest recipient outside Israel of American aid, are warm. South of the Maghreb, the Libyan leader is enjoying a honeymoon period with his African neighbours. In the impoverished Sahel region, Niger, Chad, Burkina Faso and Mali are all in his orbit. Its presidents all paid their respects by demonstratively flying to Tripoli in defiance of the United Nations' air embargo — in force since 1992 because of Gadafy's refusal to hand over the Lockerbie suspects. Pressure from the Organisation of African Unity and especially Nelson Mandela, played a vital role in persuading Britain and an even more reluctant United States to offer a trial under Scottish law in The Hague. Regionally, Gadafy is behaving with more maturity these days, say Arab observers, "making calculated investments, not taking uncalculated risks"(1).

Not everything in Gadafy's arid garden is lovely. Libya's economic fundamentals are sound though nearly all its export earnings and a third of GDP depend on oil. UN sanctions have not had a major impact because oil even when its price has been declining has generated sufficient to sustain imports of food, consumer goods and spare parts for the extraction industry. But growth is sluggish and long-term planning an oxymoron. A study commissioned by Gadafy from Gar-Yunis University and smuggled out of the country argues that despite an $80 billion development programme between 1970 and 1990, the economy suffers serious infrastructural defects(2). While other Mediterranean littoral countries desalinate sea-water, Gadafy's prestigious Great Man-Made River Project plans to extract water from beneath the desert, though most will be lost to evaporation. Among young people unemployment is estimated at 30 per cent. Middle-class frustrations focus on the difficulty of travel because of the air embargo. But inevitably it is the poorest in a country of 5.5 million who have been hit the hardest. Hundreds of children are said to have died because they were unable to get medical treatment abroad(3).

Gadafy's own whimsical decision-making compounds these difficulties. Sudden orders to transfer government offices or army headquarters to his home area of Sirte have caused chaos; wrangles between ministries have brought paralysis. "One day they get a certain set of instructions and the next something completely different", says one well-placed exile. "Gadafy uses ministers against one another." The constant formation of new committees is used to attack inefficiency and corruption and defuse opposition.

On the face of it his position seems secure. His three sons have public roles, which indicates the beginnings of the sort of dynastic succession now taking root in Iraq. Tribal loyalties still matter hugely for all Libya's pan-Arab and socialist rhetoric and there were signs after a coup attempt in the early nineties that Gadafy's ability to balance them was weakening.

One serious recent blow was the death, officially in a riding accident, of one of his most trusted aides, Abdulsalam Zadmeh, a veteran of the revolutionary committees. Some claim this was when Gadafy suffered his hip injury. The attack, claimed by the Fighting Islamic Group — the same outfit at the centre of allegations by the renegade MI5 officer, David Shayler — seems to have failed, for Gadafy, ever mercurial, was not there, having decided not to go ahead with a meeting with Mubarak(4). Disinformation compounds the difficulties of understanding this impenetrable country. Exiles, complains one former official now living abroad, exaggerate and indulge in wishful thinking. And governments have their agendas too: recent stories, with the whiff of official plants, have reported a secret Libyan deal with South Africa to swap oil for weapons and a meeting with the Real IRA before the Omagh bombing. Neither was true.

But the existence of an Islamist opposition is no-one's invention. Half-a-dozen different organisations face an uphill struggle against a leader who has always judiciously appropriated the symbols of Islam — with his "green book" and idiosyncratic "third international theory" positing an Islamic middle path between atheistic communism and materialistic capitalism. But his most radical enemies still call him *al-Taghout*, the Muslim equivalent of the anti-Christ. Gadafy's recent adoption of *sharia* punishments such as amputation of hands for theft is designed to bolster his religious credentials.

Western countries used to portray Gadafy as a terrorist godfather who sent agents to kill his own enemies and supported an eclectic cast of extremists ranging from the Palestinian Abu Nidal, through the Baader-Meinhof gang. Today his own security forces cooperate with wider Arab anti-terrorism efforts; Islamists have been handed over from Saudi Arabia, especially the worrying variety with anti-Soviet service in Afghanistan behind them.

Haunted by the spectre of Algeria, Gadafy has cracked down hard. Monitoring of ordinary people is carried out by "purification committees" independent of and often in competition with the police and state security organisations. In March the General People's Congress approved laws allowing for collective punishment.

"Nasty, but fundamentally stable" is the conclusion of the many governments and companies which want Libya to emerge from the cold. Europeans have been quick to fill the gap left by the United States — its 1986 bombing marked a low point in relations with a country which has often seemed an obsession for Washington since Jimmy Carter first imposed unilateral sanctions. The EU's defeat of the Iran part of the Iran-Libya Sanctions Act, forcing Bill Clinton to waive penalties for non-American companies dealing with what Congress determined were pariah states, has emboldened many to believe that Libya will eventually be a safe investment, vital for companies like the Italian energy group ENI, desperate to push ahead with a $3.8 billion oil pipeline in a joint-venture with Libya's National Oil Company. "For many international companies, the post-sanctions period has already arrived, marked by fierce competition among European banks to finance trade transactions," says one specialist publication(5).

Recent discussion of the sale of Airbus aircraft to replenish the ruined Libyan Arab Airlines fleet is part of this hard-nosed, business-driven story. "It goes without saying," said one oil executive, "that Colonel Gadafy is an excellent guarantor of contracts."

"It goes without saying, Colonel Gadafy is an excellent guarantor of contracts."

Publicly, Britain and the United States invoke the need for justice as they urge Gadafy to surrender Abdel Basset Ali Mohamed al-Megrahi and Lamen Khalifa Fhimah, accused of killing 270 innocents when they blew Pan Am 103 out of the sky in December 1988.

But privately he is being told, through Egyptian and African interlocutors, that the arrival of these two in The Hague is the beginning of Libya's return to the civilised world. "Libya must be returned to the international community," Italy's foreign minister, Lamberto Dini, said this week. Opinion is divided as to whether Gadafy would have internal difficulties in handing them over. Both are small fry, but also members of the important southern Megarha tribe. But both, on the other hand, would leave behind their families to guarantee that exposure of high-level involvement in Lockerbie would be kept to a minimum.

Men like Izzedin al-Hinshiri, now minister of transport and then a senior official in Libya's external security organisation, and Abdullah Senussi, Gadafy's brother-in-law and the ESO's chief, would not relish a forced journey to Holland. Part of the Anglo-American message is that individuals, not a regime, must answer for the crime. British diplomats point to the example of Iran, rehabilitated swiftly after senior figures were named in the Berlin trial of intelligence agents who murdered Kurdish dissidents.

At 56, Gadafy remains as unpredictable as he was when he took power as a young army officer who worshipped Egypt's President Nasser. But the *enfant terrible* of the Maghreb has mellowed since then, and some believe he could now be ready to neutralise one set of enemies in the West, the better to deal with another, closer to home.

Sources: (1)Al-Hayat, September 1, 1998; (2)Libyan Economic Policy: A programme for Reform, AAS, POB 268 Croydon CR2 0EB; (3)George Joffe, African Energy, September 1998; (4)North African Business Monitor, August 1998; (5)Maghreb Quarterly, September 1998, forthcoming.

Ian Black is the Guardian's diplomatic editor

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Comment

Diary

Matthew Norman

WITH the results of voting for Labour's National Executive due shortly, I am intrigued to learn the story behind Ken Livingstone's victory last year. Ken had stood for the NEC for years, earning a rich reputation as Labour's pluckiest runner up. One year he was pipped for the seventh and final place by Mr Tony Blair, another by Gordon Brown and another by John Prescott — but in 1997 he slipped to ninth place, with Jack Straw eighth. Last year, considered a dead cert, Jack duly filled out the form and signed the nomination paper. At the last minute, however, he was ordered to withdraw in favour of my old friend Mandy Mandelson, widely regarded as the only senior government member Ken could have beaten. As indeed he did, to the embarrassment not only of Mandy but the leadership. Another notable triumph, then, for the fabled management skills of New Labour high command.

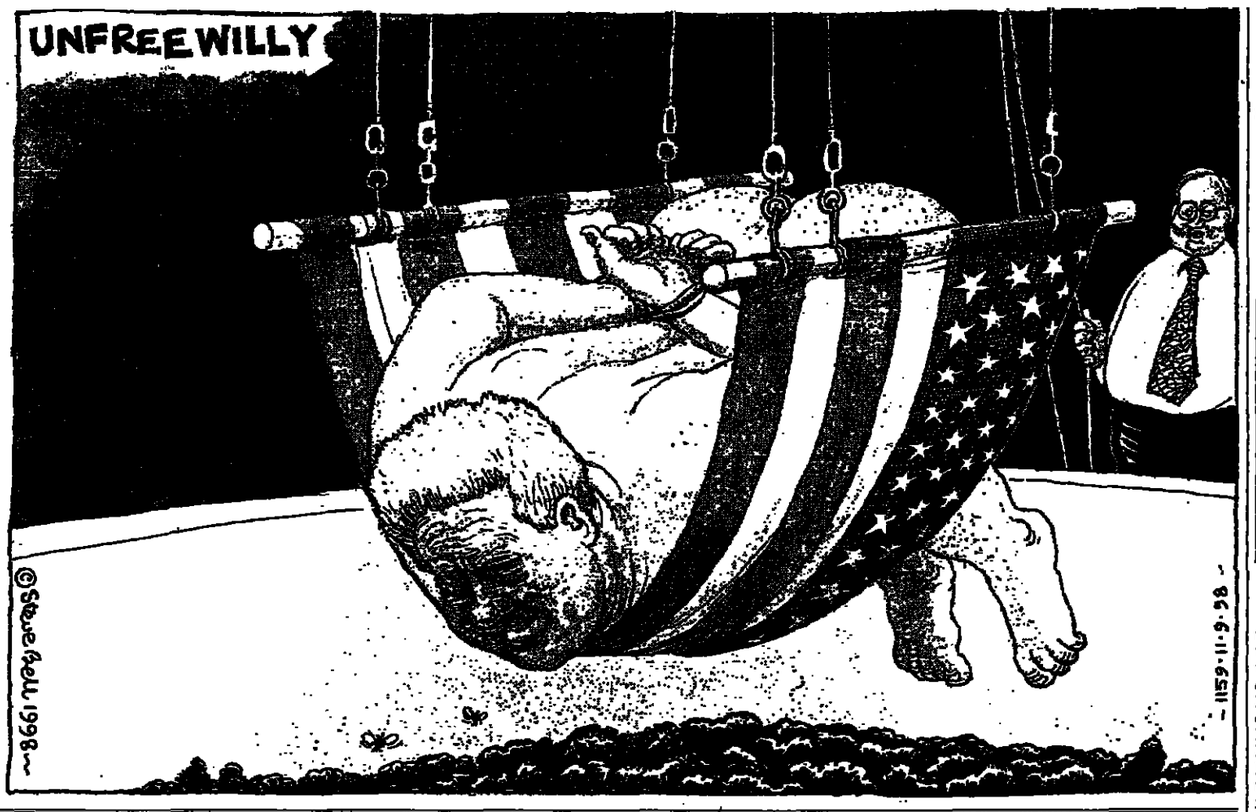
SUN editor David Yelland calls to express his mortification at the mild rebuke over his failure to return a call about the New York subway incident leading to the abandonment of his luxuriant blond wig. Mr Yelland says he didn't get the message, and would never deliberately fail to ring back. His manners do him credit.

THE Save Our Brinton campaign faces its darkest hour: the android MP is to appear before an emergency meeting of Peterborough Labour party tomorrow week, the city's Evening Telegraph reports, to explain the deluge of bad publicity of which the summoning of police to her flat at 3am to investigate raucous noise was but the latest fiasco instance. A no confidence motion may even be put by those who think she is damaging the party's name. Traitors. But all is not lost. I hope to arrange a twinning with another Western politician whose party is out for his blood: a Clinton-Brinton axis would be impregnable. Hang in there, Helen, and we will beat this thing.

I AM touched by a childhood recollection divulged to Tatler by Elisabeth Murdoch, who reassures the City that she is a person of gravitas, and no mere daddy's girl, by posing for the magazine while reclining headlong in a slinky cocktail dress, one hand seductively resting above her left breast. She speaks warmly of her idyllic childhood as Rupert's little girl. During an earlier stay in London, Tatler reveals: "The family had a dairy farm in Epping Forest, where she kept two miniature horses, 'my pride and joy', until they were given away to some News of the World readers." (A Win Free Steaks For A Year!!! competition, presumably.) There are no words.

WITH gleeful relish, the Mirror pounces on Elisabeth's colleague Mark Booth, Sky's chief executive. Showing admirable news judgment, Piers Morgan splashes with a piece headlined "Who plays left back for Manchester Utd", in which Mr Booth is savagely ridiculed for not knowing the player's name. This, as the Mirror first edition informs us, is "Northern Ireland international Denis Irwin". So close. Mr Irwin plays for the Republic. Ah well, at least we can rely on the Mirror's back page — one dominated yesterday by a shot of United's number 18 leaping for joy after a goal, a man the caption reveals as Ole Solskjaer. Again, so close. The man pictured is in fact Paul Scholes. Hats off, the Mirror!

THE Spectator cements its high-brow reputation with Joan Collins's diary. Writing of Monica Lewinsky's rumoured use of that presidential cigar, Joanie observes: "Perhaps this will lead to her being referred to in future as the Count of Monte Christo — give or take a vowel." Very nice. Rumours that the Spectator is to be merged with two other top shelf mags — Forum and Naughty Knickers Monthly — to form new title The Fornickator, remain stoically unconfirmed.



Kindly businessmen, helping out schools for free. In your dreams

Decca Aitkenhead



I ONCE had a job in telesales. Not telesales exactly, because we weren't technically selling anything. All we had to do was ring up company directors and ask them if they'd like to meet our boss. It was more Blind Date than hard sell, really — only, on Blind Date the contestants aren't allowed to see their potential date, but with this, we weren't even allowed to say what he did. Anyone caught admitting that our director was a management consultant got the sack.

We were told that no company director would carry on the conversation once the words "management consultant" were out. So the job required a fairly gymnastic verbal talent, turning management consultancy into "technical efficiency advice", or "strategy services", or any other fanciful invention which would hide the unspeakable truth. The trick was to charm them with flannel until our boss had got his feet under the table.

I'm happy to believe management consultancy is an honourable business, but disingenuousness does seem to figure rather large. This week, a spokeswoman for Arthur Andersen Business Consulting (not, funnily enough, management consultants) explained to me why her company is lavishing free expertise on a few struggling east London schools. Newham's Education Action Zone came into being last week, and Arthur Andersen is a partner.

"We are very committed to education and learning," she purred. "It's our watchword that learning is what people need. It's not going to be a profitable area for us; we just want to help these schools run themselves as effectively as possible. It's all about what we can offer; what they can make use of." To show me what she meant, we went along to Eastlea school in Newham, to see the conductor Ben Zander give a talk. Arthur Andersen's new recruits, plus various clients, sat with 1,000 pupils and heard about "radiating possibility", rejecting the "downward spiral", making "a contribution". He held teenagers' attention for two hours, got them listening to Mozart, and spoke a lot of sense about self-belief as opposed to invidious competition. Every pupil, he declared, should be given an A. Everyone is an A student! The children cheered and laughed, teachers beamed, Arthur Andersen executives gazed on, misty-eyed.

It was a delightful spectacle, a vision of big-hearted business putting something back into the community, and everyone was rightly thrilled. David Blunkett has said companies must not use state education to make a profit, and Arthur Andersen aren't making a penny from Newham.

Under the circumstances, it seems a little churlish to point out the logical flaw, but it is this: businesses only exist to make a profit. That's what makes them businesses — otherwise, they'd be charities or public services or something. So, vast as the heart of Arthur Andersen doubtless is, we would not all be sitting here in Eastlea school unless they believed they could make a profit.

"We're not interested in running schools," the company assured me. "We just want to help them do what they do best." If I hadn't spent so many hours on the phone, assuring company directors my boss wasn't a management consultant, I might be more inclined to believe this. Arthur Andersen already manages a state school in California, and was involved in proposals to run several Glasgow schools earlier this year. Involvement in an Education Action Zone is simply the first step — a bit like the phone calls I used to make, promising "technical efficiency advice".

Other companies involved in EAZs are more candid about their intentions, and this week three began bidding to take over a "failing" school in Surrey. The case for handing over schools to private firms appears straightforward: local government is hopelessly inefficient, goes the argument, so schools have had to take over their own management. Sadly, being teachers instead of businesspeople, heads haven't proved especially good at this. So why not hand over everything except teaching to a firm like Arthur Andersen? For a fee, they'll look after everything from spreadsheets to dinner ladies, and teachers can get on with teaching. It sounds like a glorious triumph of Third Way pragmatism.

THE snag is, it isn't profitable to manage just one school: companies would need to control dozens. Most would also quite like to take control of the teaching as well. The firms bidding in Guildford already train and recruit teachers, run private schools, and carry out Ofsted inspections; they describe themselves as "education professionals". There's no reason why they can't take over everything — which is exactly what these very firms have already done in parts of the United States.

Once in charge of hundreds of British schools, these firms start to look uncannily like old-fashioned Local Education Authorities. Only, LEAs were democratically accountable, and didn't exist to make a profit. Private companies aren't, and do. So after a bit, they start to say it costs much more to educate kids these days; employers demand more from their workforce, they explain. Like the argument about modern technology making the NHS unaffordable, they blame higher costs on better computers, and demand more money.

The government sighs, says sorry, this is simply impossible, and decides the schools will have to introduce top-up fees. Parents sending their children to a half-decent "state" school will just have to pay extra — until everyone pays "a bit extra", and only the very poor pay nothing, and attend schools so bad they might as well not bother.

This is the natural logic of the market — though Arthur Andersen would be very unwise to paint such a picture at this stage, and so they don't. For now, they're happy to give away their services in Newham, providing the reassuring appearance that business is something with which state education can safely do business. And anyway, a few hundred grand in east London is nothing, in return for some experience and a reputation in a market the size of Britain's under-18s population.

If we are going to privatise state education, it would be infinitely preferable to say so out loud. Instead, Arthur Andersen gave free advice to Labour before the election, installed an advisor at the Department of Education, and are now helping out in Newham. As I remember, the trick was always to charm your way in, until your feet were firmly under the table.

Man U: I fear their greed

Tony Blair



LAST week something happened which not only caused grieving in the Blair household, but which was also symbolic of a wider sadness . . . My children couldn't care two hoots if I go home and say I've met Jacques Delors or John Major. But when I told them I'd met Manchester United boss Alex Ferguson and he'd invited us to see United v Forest and meet the players, they finally realised there was a point to their dad's new job after all.

And now Alex does this to me.

Not that I'll be the only parent with cause to be unhappy with Manchester United of late. For in another example of the sport's growing obsession with money-making, this club, like many others, has just changed its strip — again. Less than a month after thousands of youngsters pulled on their favourite club jersey at Christmas, the men who run the club ordered the Red Devils to trot out in blue at Southampton. Loyalty doesn't seem to be enough any more; rather it is exploited to make us pay more.

Which brings me to my fear that the values that make soccer the people's game are being eroded.

Tonight I have a rare treat when I speak to the Football Writers' Association at a dinner in honour of Sir Stanley Matthews's 80th birthday.

HOW much would Sir Stan have been worth in today's money? £10 million? £15 million? £20 million? When he went back to Stoke from Blackpool in 1961 for just £2,500, the average gate rose by 25,000.

Could Andy Cole put 25,000 on a crowd? Could Shearer or Le Tissier or even Romario?

Sir Stan graced three Cup Finals including probably the most memorable in history, in 1953. And he was never booked, let alone sent off. He never pushed past children waiting for autographs, for he knew they were the future of the game he loved. He served club and country well: a marvellous ambassador for Britain.

Football is a game that millions in Britain follow. It has a unique place in our culture and one that we must treasure.

And yet, I worry. I worry that a game in which one individual is deemed to be worth £7 million and whose club must raise the money with ever more lucrative and exclusive television deals, merchandising and expensive seats, is a game which may lose touch with its roots.

I worry that fans are taken for granted. I worry that the television deals are ignoring the smaller clubs which desperately need support, and creating a class of bigger clubs that becomes ever more voracious in its quest for success. I worry, too, that the dividing line between marketing and exploitation may have been crossed amid the plethora of ever-changing strips.

I wonder how clubs can justify charging more for away fans than for home fans in identical seats. I wonder how clubs, all too commonly, can deny concessionary prices to travelling children while granting them to home fans.

Given the extraordinary publicity the game has attracted, it is hard not to worry, too, that some of the allegations of illegal backhanders may be true. I hope not, for those at the top of the game have the greatest responsibility to show it at its best.

When Sir Stanley speaks tonight, people will remember the values he embodies — fair play, the role of the individual within a team or community, honesty and romance.

I feel unease about what is happening in British sport. And I believe that much of what is wrong stems from over-emphasis on the individual — the get-rich-quick, something-for-nothing philosophy of recent times and the erosion of values like service to the community and wider responsibility that people in the public eye have for those we follow and idolise.

When do we ever hear players express shame at being sent off? Why do managers take for granted the swearing all too easily lip-read by children watching on television? I wince at players who cheat and foul, who abuse referees and who only think about winning and the money it will bring; at some people at the top of our national game who think nothing of loyalty to club and community.

The values that make soccer the People's Game are being eroded

Sport is not just about gold medals, glory, fame, wealth and winning European Cups. It is about kids playing in the park, dreaming they might one day pull on their Newcastle strip in a European Cup Final. It is about learning through mind and body the values that help make a complete and rounded individual working within a strong community.

A nation that neglects sport at grass roots because it is obsessed with the commercial gains from sport at the top is a nation set for sporting and social decline . . .

Extracted from the Mail on Sunday, January 15 1995, before Blair became premier. The immediate occasion was Manchester United's purchase of Andy Cole from Newcastle United for £7 million

Faked remorse demeans the office. Resigning weakens it. The people will continue to respect the president no matter what they think of the man

Hang in there, Bill

William Safire

NERVOUS Nellie candidates, hand-wringing opinionmongers and parents doing a national slow burn should stop calling on President Clinton to resign. Quitting under 36 boxes of evidence is *not* The American Way.

Nor is it in Bill Clinton's character. The most authentic moment of his presidency was his defiant assertion last month of wrongdoing and victimhood. With no phony lip-biting or spurious apology, he delivered his essential message: I regret that I was caught, but it's my private life, so get over it.

That true baring of his soul was soon inundated by leaks from his frustrated speechwriters of their rejected draft, which expressed sorrow and apologised to all including Monica. His stalwart wife had rejected such self-flagellation. Let Clinton be Clinton, advised Hillary, and the nation got a four-minute glimpse of the real man reading his own words and legal evasions.

In return, the president — with unremarked gallantry — pretended to have lied to his wife for seven months after the scandal broke, thereby giving cover to her vast-conspiracy defence when they thought the charges could not be "proven true".

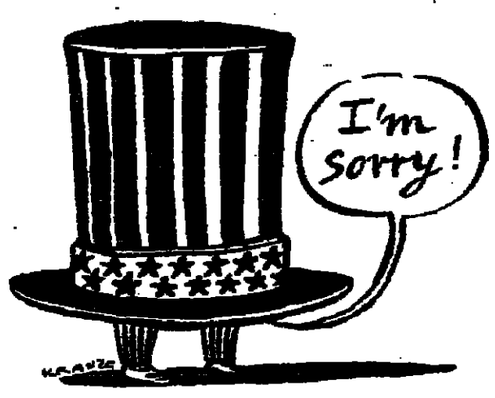
Now the spinmeisters of his White House are demanding repeated repentance and the upward calibration of contrition so that at least the Democratic base will forgive. But faked remorse demeans the office and earns no absolution. Let Clinton stay Clinton. Let him stick with his "indefensible" defence, play on the distaste of Americans at sustained self-abasement by their leader, and make clear that resignation is not an option no matter what embarrassment the Starr revelations bring.

Why this, from a pundit who has been railing for two years that Clinton stole the last election with illegal Asian-connection money? Some will say my perverse support is rooted in a desire for a president to be twisting in the wind during the fall campaign, damaging Democrats who fail to denounce him with poll-driven ferocity, others a partisan concern that Gore, global-warming the presidential chair, would win election by acting boldly against Iraq and North Korea.

Still others will say opponents of resignation long for an inactivist executive branch, devoid of a spending agenda, too weak to deny Congress' tax cuts to the deserving nouveau riche. Another ulterior motive: we may await the spectacle of a parade of wronged or ill-used women being savaged by Judiciary Committee Democrats, with psychic wounds later dressed by the fatherly chairman Henry Hyde.

Don't be affected by the cynicism of a CNN-ical age. Clinton should stay right where he is because the people elect presidents directly for a fixed term of four years. Our decision cannot be reversed by a parliamentary vote of no confidence. Resigning — even entertaining the idea on the excuse of the appearance of paralysis to the world — weakens the office and undermines the system.

That system, as we have seen, can take a lot of punishment. If the 36 boxes containing two sets of evidence that Ken Starr delivered on Wednesday go beyond sexual misbehavior to show a pattern of abuse of power, the House will publish as much as decency permits and begin its impeachment inquiry at a dignified pace. We'll have an undisturbed mid-term election (the US held an orderly presidential election even during a civil war). The next Congress will hold its open hearings and do its duty. If Clinton remains in office, we will examine a new independent counsel's evidence of far greater abuse of power in the stolen 1996 election.



Meanwhile, Bill Clinton is the fully empowered president. He will light the national Christmas tree, give the State of the Union address and respond to national security threats. Just as in the armed forces, where the uniform and not the person rates the salute, Americans will continue to respect Clinton the president no matter what they think of Clinton the man.

After years of contemptuous stonewalling, followed by months of salacious lip-smacking, a sense of solemnity is settling over the capital. Impeachment is too profoundly political for politics. Our elected officials and press and public can digest and act upon the Starr report while running the country and leading the world. Nobody flinches; nobody rushes; nobody quits.

William Safire is a columnist for the New York Times

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'I'm going to grow vegetables in the country until it all makes sense again'
Liz Guest, Letters

Old hand recalled

Primakov is not a crony

RUSSIA'S élite has had a welcome fit of common sense. The nomination of Yevgeny Primakov to be the country's new prime minister bids fair to end the political stalemate of the last three weeks. Almost every faction in the Duma has promised its support in today's vote. The new man will start his administration on a strong footing.

Russia has been going through a crisis of legitimacy ever since President Yeltsin abruptly appointed a young and unknown lightweight to the prime ministership this spring. Although the Duma made it clear it did not like Sergei Kiriyenko by twice rejecting his nomination, Yeltsin used a variety of threats to persuade the Duma to accept him at the third attempt.

When Yeltsin, in his high-handed way, sacked Kiriyenko four months later, it looked as though he was going to try the same tactics of disregarding the Duma's opinion. But the balance of forces has changed. The sudden implosion of Russia's neo-liberal economic policies set the rouble tumbling and led the government to default on some of its debts, causing a new round of inflation. The simmering discontent which had been growing throughout Viktor Chernomyrdin's five years in power burst to the surface when Yeltsin tried to bring him back. To many in the Duma, Chernomyrdin was the architect of an economic strategy which had left millions of people waiting for wages and pensions while enriching a few. This time, too, the opposition parties, including the liberal economist, Grigory Yavlinsky and the Communist Party with its hopes for a more interventionist government role in the economy, calculated that Yeltsin's threat to dissolve the Duma would backfire. Discontent with the so-called "reforms" of the Yeltsin period which, to many Russians, have become synonymous with crime, misery, and corruption, would dominate the campaign. The next Duma would probably have more anti-Yeltsin seats.

The Duma's second vote against Chernomyrdin on Monday showed that he and his backer Yeltsin could only command the support of Vladimir Zhirinovsky and the hardline nationalists. It was not the first time that Zhirinovsky's faction has dispelled the notion which some Western analysts liked to peddle of "democratic reformers pitted against a Red-Brown alliance". During his five years in power, when it came to crucial budget votes to pass IMF-sponsored policies, Chernomyrdin frequently relied on Zhirinovsky. On this occasion, Yeltsin and Chernomyrdin drew the correct conclusions from the parliamentary majority.

In nominating Primakov it is not yet clear whether Yeltsin will agree to hand over some of his powers to Parliament and the new government team. Whether today's solution to the political crisis will go far in solving Russia's massive economic problems is also uncertain. The very fact that an elderly figure with no economic background has become prime minister is a sign of the paucity of talent. But Primakov is an honest and intelligent man, and in no way a crony capitalist. He is what Russians call a *gosudarstvennik*, an experienced professional who understands the need to restore a strong state, albeit on democratic lines, in place of today's chaos and lawlessness.

In the great debate between those who still cling to the neo-liberal economic model and those who wish to put controls on speculative short-term capital and protect the viable parts of Russian industry, his instincts are with the latter. The outside world can only hope that today's political ceasefire leads to the stability which millions of ordinary Russians so desperately seek — and deserve — after the shocks of the last decade.

The new craze

Buy a football club

TEN YEARS ago a bank bought an estate agency during the housing boom and sparked off a buying spree. No self-respecting heads of banks or building societies dared to be seen at a cocktail party without an estate agency of their own. At the time lots of "synergetic" benefits were claimed like selling mortgages and financial services to house buyers. In fact the whole episode ended in tears with most of the ventures losing money. Will it be the same with football? On Monday Sky admitted it was trying to buy Manchester United and has already triggered a chain reaction. Yesterday Carlton said it was interested in Arsenal and Carlton TV announced a joint venture in financial services with Premier division Charlton. (This is none of our business, but in terms of brand exploitation it surely should have been the other way round — if Woolwich had linked with Arsenal the new company could have been called Woolwich Arsenal thereby restoring a lost link with the club's roots, while Charlton would have needed to shed only one letter of its name to become Carlton Athletic.)

Other Premiership teams are likely to be snapped up soon. The only question is whether merger mania in football will also end in tears 10 years on. The Man U/Sky link will probably be successful financially. Indeed Man U may have been better off exploiting its world famous brand on its own by selling digital TV rights around the globe. Other less successful clubs purchased at high prices at the top of the market for reasons of fashion — classic conditions in which to lose money — won't find it so easy. But they have no one but themselves to blame. Once football clubs become public companies on the stock market they effectively sell their birthrights. No longer can they be the playthings of the rich or the lifestyles of the poor. They become subject to the relentless short-term profit horizons of the City and the quest for ever greater dividends. As well as providing pleasure on Saturday afternoons they will be expected to contribute towards our pension funds as well. If they don't produce the desired profits they can be sold on to someone else prepared to exploit the assets in a more ruthless way. This doesn't mean that Man U will start playing in different countries as part of a world circuit (like Grand Prix racing) but it doesn't exclude it either. Anything could happen. The future will be quite different from the past. Football isn't coming home any more, it is going away.

Freedom for Willy

Keiko enjoys a sea change

LEONARDO DiCaprio is probably worried it will happen to him: one minute lying in the lap of luxury, being pampered in a manner befitting a Hollywood star, the next whisked off to some remote destination and left to fend for himself. Even James Cameron wouldn't be that horrible. Yet that is what has happened to Keiko, the killer whale, star of the film Free Willy, who has swapped his designer pool in Newport, Oregon for the icy seas off the Icelandic coast from which, as an infant, he was snatched 20 years ago. Keiko has grown lazy in captivity in the US: he was hand-fed as much fish as he could eat, put on about 2,000 lbs in weight, and loved his trainers rubbing his tummy. Now he will have to catch his own fish and forgo the massage. He may never regain his hunting skills; one local fisherman is threatening to poison him; and other killer whales are likely to cold-shoulder him. "He may be a winner in people's hearts, but to other whales he's a loser with a skin condition," as one expert put it. Stop blubbering, Keiko!

This real-life Free Willy exercise has so far cost $12.5 million. The scientific benefits are thought to be minimal, and sceptics will write it off as a stunt and a distraction from real conservation needs. They have a point: this is sentiment, not sense, at work. Killer whales aren't endangered — right whales and blue whales are under greater threat. They aren't even, strictly speaking, whales: they are the biggest of the dolphins, and the real conservation nightmare concerns the river dolphins of Asia and South America.

Yet sometimes sentiment should rule: you can't put a price on freedom and Keiko's example may help to turn public opinion against captive animals. The best approach is to protect species in situ, rather than use selective breeding in captivity to excuse habitat destruction. The lesson has not been lost on schoolchildren; now it just has to hit home among governments. Killer whales, on average, live for six years in captivity; in the wild an adult male can reach 80. Any takers for Free Willy XVIII?

Letters to the Editor

M&S and men in mini-skirts

FOUR or five years ago, I shared a box at the Albert Hall with a senior manager from Marks & Spencer (Welcome to St Michael of Morocco, September 9). He told me that the policy of having 90 per cent of their items manufactured in Britain had nothing to do with patriotism, but was sound business sense: the more people there were employed in Britain, the more potential customers there were for M & S stores. Why does that logic no longer hold?
Tim Brown.
Cambridge.

TRAVELLING back to London from Manchester on Virgin last Monday, my son and I were evicted from the unlit carriage which contained the only unreserved seats, for reasons of safety. I asked the attendant: "Can't Richard Branson afford light bulbs?" He replied with a straight face: "It's not Richard Branson's fault, sir. It's British Rail — all this clapped-out rolling stock we've inherited."
Peter Mellor.
London.

CAN anyone explain to me how, after his first 18 months as Prime Minister, those surveyed in the Guardian/ICM poll think Tony Blair is less experienced than he was a year ago (Blair bubble bursts, September 9).
Paul Goggins MP.
House of Commons.

JOAN Smith raises the case of a woman dismissed for dressing improperly, and suggests that this is evidence of double standards (A bit of skirt, September 10). I can think of many employers who would dismiss a man who turned up to work in a mini-skirt and white stilettos.
Tim Footman.
Wallington.
Surrey.

Bad hand from New deal

WHILE Polly Toynbee seems happy for young unemployed people to be guinea pigs in a "gigantic social experiment" (Brave New Deal, September 9), those of us who have to deal with the fall-out are a little more uneasy. The failure to achieve even low targets for placing people in jobs in Lambeth, a flagship pilot area, underlines the fact that there is still major structural unemployment even in Greater London, something the predicted recession is going to heighten.

The level of training/education allowed for young people on the New Deal — NVQ level two — is too low to have a qualitative impact on young people's prospects. There is not enough flexibility in the options. For example, people on the voluntary sector option in Lambeth have been told they will be sent back to their New Deal advisers to have their benefit cut for six months if they don't take the limited placements on offer. And there is still no evidence of a sea change in the core culture of the Employment Service as benefit police rather than employment enablers.

Unemployed people — including those who have "disappeared" off the register — need decent jobs, quality training/education and independent support. For a significant minority, the New Deal has still to provide that.
Colin Brown.
Lambeth Unemployment Project, London.

WHAT about older unemployed people? There are precious few decent training schemes to train people in the skills shortages that we are constantly being told about, and there exists a large pool of educated people over 35 who are being ignored because their training for well-paid forms of employment are deemed too expensive.
C Hopper.
Brighton.

SINCE the inception of housing benefit fraud squads, there has been much trumpeting of the savings made. No mention is made of the gross invasion of privacy suffered by innocent people. With no advance notice, they demand to see two proofs of identity and then require a signature confirming that these have been provided. Surely the HB officer should sign a document stating that they have inspected such proofs, and that there is no further need to trouble this particular client further? I have asked for written confirmation from Lambeth HB that I have provided specific proof of identity. Predictably, there has been no response.

If you happen to be out looking for work when they call, woe betide you. They leave a note that they will call the next day within a very wide time limit, in my case six hours. They finally arrived in the late afternoon, after which I was at liberty to go out and forage for a very late lunch. In Mr Blair's new inclusive Britain, there appears to be no sanction against such transgression of civil liberties. Saving a few bob would appear be the sole criterion.
Ian Ratcliffe.
London.

Are there holes in the Net?

I READ Mark Steel (E-mail wail, September 9) and laughed out loud. Tonight I am not laughing at all, having spent an hour and a half trying to find information on the "super" highway, suffering repeated crashes and failures.

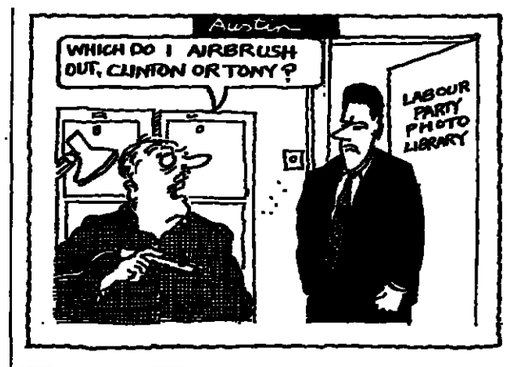
Part of my daily job is running a computer network. For me at least, some benefits of this new technology seem to be outweighed by the constant need to "keep up to date", employing new systems that we don't need, don't understand and seem designed only to make us all work faster, harder, everywhere and anytime — until they crash.

Nerves of steel were required for me to give in my notice. What was I trying to find on the Net? Information on sustainable agriculture — I am going to hide out and grow vegetables in the country, until it all makes sense again.
Liz Guest.
Manchester.

FOUR years ago I would have agreed with Mark Steel that the Internet is a fad and computers are for boffins. But when I started a doctoral degree, I acquired e-mail. It took only a few weeks for me to teach myself how to use it and other Internet features such as the World Wide Web and newsgroups.

I use e-mail to correspond with my family in the US and with people all over the world. This spring I won a competition for innovative websites sponsored by the BBC. The new technology is bound to help people improve their lives in ways that perhaps we can't yet foresee.
Ivy Dennett-Thorpe.
Felixstowe, Suffolk.

HOW does Mark Steel know how "new technology" will change domestic life? He's only just got it. He should use the delete button until he's up to speed.
Valerie Hopper.
Manchester.



Blair's chance to end global chaos

JOHN Gray's warnings (The end of money, September 8) about the economic difficulties in Russia and the Far East must be taken seriously. It is simply untenable for Western governments to argue that the solution to Russia's problems or, indeed, to the threat of recession in their own economies, is an intensification of the process responsible for the crisis in the first place.

The instability of the global free market and the chronic insecurity it generates are now widely documented. The 1998 UN Human Development Report provides further damning evidence of its impact on poverty and inequality. The case for co-ordinated international action is now unanswerable. It is astonishing there has been so little debate in this country on the implications of the proposed Multilateral Agreement on Investment.

When negotiations on the MAI resume in October, the Government will have a unique opportunity to give leadership to the OECD in arguing for an international trading system based on the principles of social justice and environmental sustainability. This must involve global agreement on regulating capital flows. Our choice is clear. Do we acquiesce in the special relationship and regress to free market orthodoxy, or do we carve out a genuine third way?
David Chaytor MP.
Labour, Bury North.

Spice dads

IT IS both unrealistic and a little discriminatory to assume that the pregnancies of two exceedingly wealthy women, in their 20s, in stable relationships and intending to marry, will provoke a rise in teenage pregnancies (Heads fear 'Spice baby' generation, September 8). We don't hear the same claims for David Beckham, football hero for thousands of young boys, who is one of the fathers.

Perhaps this is a good moment for secondary school heads to evaluate their sex education programmes. We know that many young people think this was too little, too late and too biological. Teachers should ask whether they are doing enough to help our students to make informed choices about their lives.
Clodagh Corcoran.
Family Planning Association.

Chorus of complaint over Royal Opera House closure

IT IS difficult to understand why the Royal Opera should be given more funding to produce fewer performances (Royal Opera to close for year in rescue deal, September 10). Before they go cutting back on the chorus and orchestra and supporting staff, could we please know how much is paid to the international opera stars with whom they perform?

Perhaps it should be put to these stars that they should reduce their fees in order to contribute to the well-being of their chosen art. And perhaps a policy decision should be made that if they don't, they will be considered to have priced themselves out of the market — and then our own singers would benefit.
Michael Chanan.
London.

YOUR dramatic account of a meeting beween the Culture Secretary and the chair of the Royal Opera House to negotiate additional funding makes fascinating reading, but surely it must be a work of fiction. Everyone knows that the Department of Culture resolutely adheres to an arm's length, non-interventionist stance in such matters and that decisions on the funding of individual organisations are entirely a matter for the Arts Council.
Richard Munro.
Coventry.

I LOVED your leader comment (September 10) that "fresh subsidies will not be given until the ROH drags itself into the 20th century". According to the ROH themselves, they will do that in December 1999. Talk about a skin-of-the-teeth job.
Conrad Cork.
Leicester.

We do not publish letters where only an e-mail address is supplied; please include a full address. We may edit letters.

Ban those censors

Bel Littlejohn



FASCINATING article on censorship in G2 this week. As an artist (maybe even — who knows? — a great artist, or so the experts tell me) I have long been at the forefront of the campaign for total freedom of speech, within acceptable limits. Censorship? It should be banned.

Can it really be over a quarter of a century since I first made my name as a key witness for the defence in the Oz trials? My appearance in court certainly made an impact. I boldly spoke up for the three defendants' inalienable right to place a giant penis on the figure of Rupert Bear for the special schoolkids' edition of Oz. "I regard that penis as one of the most powerful and beautiful statements in the whole of 20th-century literature," I said, going on to describe it as "a touching and very moving testament to the glory of a child's sexuality." Within days, I had become one of the most sought-after experts in the field of anti-oppression, telephoned day and night by senior producers of radio and television programmes desperate for my tough and uncompromising views.

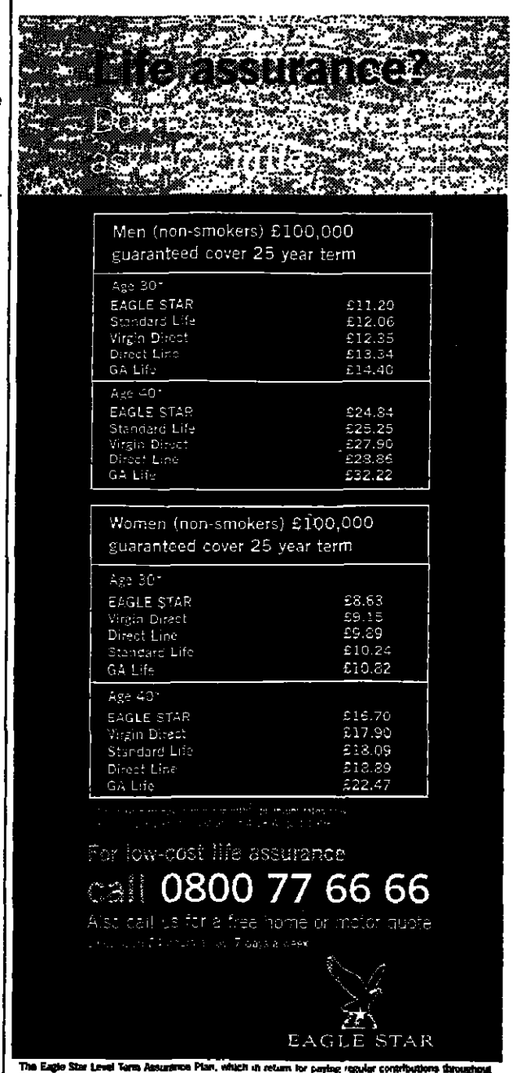
What a year 1971 was! The next month, I was back in the media spotlight again, this time bravely defending Sam Peckinpah's controversial movie, Straw Dogs, from the insensitive scissors of the censors. In just one week, I was on three separate programmes, including Ken Tynan's Lunchbox, vociferously defending that famous scene in which Susan George is sexually assaulted by four nameless villagers. "To my mind," I said, "it's one of the most powerful and moving scenes in the entire history of 20th-century film drama. What Peckinpah is showing us, surely, is not just some sort of 'mindless rape', but rather a metaphor, even a paradigm, and arguably even a symbol for the direction in which our post-imperial society is going. It's shocking, yes — but then rape *is* shocking."

And on BBC's Nationwide with Michael Barrett, I bitterly attacked those who claimed that cinema could in any way influence the actions of viewers. "No one in their right mind would think that!" I argued eloquently, defending freedom of expression against an old person who had been wheeled on by the National Viewers' and Listeners' Association to spout the usual geriatric rubbish, "And frankly you have no right to say it."

IT WAS just a few months later that Stanley Kubrick's great masterpiece, Clockwork Orange, was released, accompanied by the all-too-predictable calls for it to be banned. On a Late Night Line Up panel of experts with Sir Gerald Nabarro, Lord Patrick Lichfield and Leapy Lee, I singled out for particular praise the scene where Malcolm McDowell repeatedly kicks the crippled old man in the face whilst — and this was a brilliant touch by a master craftsman — simultaneously performing 'I'm Singin' In The Rain. "For me," I said, "this is one of the most powerful and sensitive moments in 20th-century cinema. For Kubrick, that kick is not only a symbol and a metaphor but also a stunning indictment. Surely what he is really saying is that the old man stands for a worn-out, crippled Britain, which is being kicked aside by something new and vibrant and modern and, to me at any rate, very, very exciting."

Twenty-seven years on, and I'm still known as our most passionate defender of freedom of expression, often appearing on Talk Radio at 3am to put forward my views. If anything, I've grown even more determined to preserve free speech from those who seek to undermine it. For instance, on the Today programme only yesterday I was passionately defending the rights of those of us who are sick to death of the gratuitous sexism rampant in television's salacious Baywatch: "By focusing solely on women as sexual creatures, the makers of this disgraceful programme are helping to create a society in which it is impossible for a woman to walk down a street without fear of assault. It is a wholly cynical attack on the essential freedoms for which I have fought throughout my life. Frankly, it should not be allowed on our screens."

I am, of course, a leading light in CAOSS, the Campaign Against On-Screen Smoking. I see it as our duty to safeguard future generations from being prey to one of the most extensive abuses of freedom of expression in our history, namely the glamorisation of harmful tobacco by Hollywood. Next month, I will be handing a petition to my good friend, Chris Smith, calling for a ban on films and television programmes containing scenes involving the smoking of all tobacco products. But I don't want any medals for it. After all, someone's got to defend the multinational assault on free speech, so it might as well be me.



Roy Bradford

In and out in Ulster



Bradford . . . arriving for a key unionist meeting at the height of the 1974 workers' strike

ROY BRADFORD, who has died aged 78, practiced a form of zig-zag Ulster unionism, veering between its liberal and hardline wings during the three decades of the Troubles. Although well-read and cultured in comparison with the backwoodsmen who pulled the strings of party power, consistency was never his strongest suit. His opportunism prevented him from building a solid base from which he could have filled the influential role in unionism he craved and thought well within his capabilities.

This flaw was graphically exposed when he emerged as the cuckoo in the nest of the Northern Ireland power-sharing executive in May 1974. As the loyalist Ulster Workers' Council strike gathered momentum, Bradford, then environment minister, broke ranks with his moderate leader, Brian Faulkner.

He repeatedly urged ministerial colleagues to enter into talks with the strikers — who opposed the council of Ireland planned under the 1973 Sunningdale Agreement — and was also accused of consorting with them and leaking details of plans to deploy troops to break the protest. Before the executive's final collapse, many ministers conducted their business away from Bradford because of the distrust he had stimulated.

Bradford's flight at the height of the crisis finally erased the liberal credentials with which he had entered the Stormont parliament in 1965. He remained a frustrated, often grating, voice principally through a column in the Belfast Newsletter, which he wrote until shortly before his death.

Bradford was born in Belfast and was educated at the Royal Belfast Academical Institution. Reflecting his father's cross-border roots in County Monaghan, he was sent to Trinity College Dublin, graduating in 1942 with first-class honours in French and German. After four years' service with the Intelligence Corps he moved into television, where he worked as a writer and producer for both BBC and ITV. In 1960 he published his first novel, *Excelsior*, while carving out a business career, which included running London restaurants.

In 1965 he was elected to Stormont, for the shipyard heartland of Victoria, in east Belfast. He soon rose to chief whip, then commerce minister and next development minister, the post he held when direct rule was introduced in 1972. This period inspired his second novel, *The Last Ditch* (1981). It excited great interest as readers tried to decode which of the fictional characters corresponded to real-life politicians, especially if there was a counterpart for the fictional minister engaged in sexual shenanigans as Stormont sank.

Bradford sided with the moderate Faulkner faction after the Sunningdale Agreement and was awarded a post in the power-sharing executive. After its collapse he aligned himself with the hardline coalition of Ian Paisley, William Craig and Harry West, but failed to win a seat in the 1975 constitutional convention.

For the rest of his life he operated on the fringes through his association with the European Movement and his prolific writing and punditry. His political inconsistency was once more evident when he opposed the 1985 Anglo-Irish Agreement, and later, flying in the face of unionist sentiment, backed the concept of inclusive political negotiations, including Sinn Fein. He enjoyed a last, brief fling in the political spotlight, serving as mayor after his 1989 election to North Down council.

One of the features of his later years was a feud with his neighbour, Sir John Hermon, the former RUC chief constable. Bradford built a garage with a roof which obscured Sir John's view across to the Copeland islands off Donaghadee.

Bradford married Hazel Lindsay in 1946. She predeceased him in 1994; he is survived by their two sons.

Chris Ryder

Roy Hamilton Bradford, politician and writer, born July 7, 1920; died September 2, 1998

Félix Morisseau-Leroy

Classical Creole

THE Haitian poet and playwright Félix Morisseau-Leroy, who has died aged 86 in Miami, was a pivotal figure in the political and cultural revaluation of Creole (or *kreyol*), the language spoken by the vast majority of Haitians.

His work sought to break the literary monopoly enjoyed by French, the language of Haiti's colonial past but spoken only by a small, educated elite, and to demonstrate that Creole, though often dismissed as a primitive "pidgin", was capable of expressing an equally wide range of poetic registers.

Born into a well-off mulatto family in Grand-Gosier, near the southern town of Jacmel, Morisseau-Leroy studied law in Port-au-Prince. He was briefly a teacher before being appointed *chef de division* at the Ministry of Public Instruction in 1941. After a period of research at Columbia University, New York, he became director-general of education in Haiti.

Morisseau-Leroy also edited a local newspaper in Jacmel and contributed to Le Matin in Port-au-Prince. His first poetry and fiction appeared in French in the 1940s, while the novel *Récolte* (1946) depicted the turbulent politics surrounding the end of the US occupation of Haiti in 1934.

Like other intellectuals of his generation, he was interested in stressing Haiti's rural and African-derived culture. He came to realise that French was not the appropriate medium with which to reach out to the illiterate and impoverished majority of Haitians. Several volumes of Creole poetry, entitled *Djakout* (the term for a peasant's straw satchel), evoked the life and hardships of rural communities. But it was with his translation of Sophocles's *Antigone* into Creole that he most effectively championed the language's literary credentials. The play was performed in Port-au-Prince in 1953 to enthusiastic crowds.

Although some Creole texts already existed, Morisseau-Leroy's work was the first to receive widespread distribution and critical attention in Haiti and beyond. *Antigone* was also the first and only



Morisseau-Leroy . . . pivotal

classical work to be translated into the language of ordinary Haitians.

A year after Francois "Papa Doc" Duvalier took power in 1958 Morisseau-Leroy fled into exile. He worked for UNESCO in Ghana and for the Senegalese Ministry of Culture in Dakar before settling in south Florida in 1981, from where he used his column in the progressive Haiti en Marche newspaper to attack (in French) the various dictatorships that followed the collapse of the Duvalier regime in 1986.

He returned briefly to Haiti in 1986 and was a guest of honour at the inauguration of President Jean-Bertrand Aristide in 1991. Significantly, one of Aristide's first reforms was to make Creole an official language in Haiti, on a par with French. In his latter years, Morisseau-Leroy's prestige rose higher still, as translations of his work appeared in English, French and numerous other languages. His *Antigone* was produced in Miami last May and enjoyed further success.

A mural on Miami's South Beach portrays him, with his distinctive mass of white hair, as one of a trinity, sitting alongside Aristide and the popular singer Martha Jean-Claude. His poetry continued to touch the daily concerns of Haitians, most notably those forced into desperate escape by political repression or poverty.

In *Boat People*, he evokes the tribulations of refugees fleeing the Duvaliers' notorious jail at Fort Dimanche, only to be incarcerated in Florida's Krome detention centre for illegal immigrants:

We looked for jobs and freedom
They piled us on again:
Cargo direct to Miami
They started to call us boat people
We run from the rain at Fort Dimanche
But land in the river at Krome
It's them who call us boat people.

James Ferguson

Felix Morisseau-Leroy, poet and playwright, born March 13, 1912; died September 5, 1998

Michael Samuelson

The eye behind TV's golden goal

MICHAEL Samuelson, who has died aged 67, was a pioneer of sports filming, who changed the relationship between the event and the viewer. Originally a cameramen with British Movietone News, he went on to make the award-winning official film of the 1966 World Cup, *Goal*. He photographed, produced or directed six other World Cup films and was involved in the filming of three Olympics (Mexico, Innsbruck and Los Angeles).

The son of producer G B Samuelson, who came to prominence during the silent movie era, Michael and his brothers were brought up in a family obsessed by film. When his father became a producer and exhibitor in Southport, his grandmother Bertha sold tickets at the box office. Michael followed his father and brothers into the industry after working in the theatre and as stage director for the American ice show *Holiday On Ice*. Having to erect portable ice rinks in Spanish bullrings during the searing summer months was an experience that was later to prove valuable. He joined Movietone in 1956 at a time when most of their cameramen were leaving for the newly-formed ITV news organisation, ITN.

Michael recognised early on the potential of sport within future television schedules. But it was not until he left Movietone to join the family firm, a film equipment service company, in 1960 that an opportunity came to pursue his belief that, with the help of technological development, television audiences would develop an appetite for more than the FA Cup Final, Grand National or the Boat Race. They could ride with the racing driver, climb on Everest with the mountaineer, or see the Old Course at St Andrews from the bottom of the Road Hole Bunker.

His breakthrough came when he became photographic consultant and cameraman for the 1966 World Cup. The BBC filmed from their traditionally high gantry positions in the Wembley stands with cameras the size of houses. Samuelson, with the greater flexibility of smaller cameras and longer fixed focal length lenses, had his crews dig holes around the touchline and from ball height penetrate the otherwise hidden depths of the game. The resulting film is still a favourite with broadcasters 30 years on.

For his filming of the 1968 Olympics in Mexico, Samuelson took a crew of young, energetic cameramen and repeated *Goal*'s techniques. The drama of winning and losing had never been portrayed before in such detail and the film became a benchmark on both sides of the Atlantic. The "point-of-view, fly-on-the-wall" style of so much of today's sports broadcasting is a result of those early productions.



Samuelson . . . fly on the wall

Only a few months ago Samuelson was behind a camera in the Stade de France at the World Cup final, supporting the producers of the forthcoming official film with his great experience and enthusiasm. He became a father figure to a hugely skilful band of devoted film-makers that have indeed taken us to the very summit of Everest. He initiated many training schemes to encourage young film and television technicians; and students were always welcome on the floor of Michael Samuelson Lighting at Pinewood Studios.

Alongside his busy schedule, Samuelson used his film-making skills to benefit many less fortunate groups, including the Variety Club of Great Britain, where he helped fund Tessa Sanderson at the start of her career. He became president of Variety Clubs International, and Great Ormond Street Children's Hospital, where he was trustee of the Wishing Well Appeal. . He organised film crews to travel to Biafra, Vietnam and Uganda, and worked on many fund-raising and relief projects for the benefit of survivors and refugees.

Michael Samuelson was married to the Royal Ballet soloist Madeline White for 29 years and had five children. His influence and foresight are likely to have a lasting effect on British film and television production. In 1989 he was made a senior fellow of the Royal College of Art for his support of student film-makers. The generation of young technicians who worked with him are now at the forefront of world broadcasting and film-making.

Drummond Challis

Michael Edward Wylie Samuelson, producer, director, cameraman, born January 25, 1931; died August 27, 1998

A Country Diary

ROSELAND, CORNWALL: Shortly before I retired from the full-time academic staff of the Open University I completed 25 years' service and, in common with other bold pioneers who had survived that long, received an optional award from the vice-chancellor. I turned down the illuminated scroll to hang in the toilet, but took the cash voucher, which I only found the time to spend on retiring.

I bought a 15-geared mountain bike because we had been greatly impressed with the technical advance when we led them on a rider across mountain ranges and white roads in Umbria a couple of years ago. "Better than a carriage clock," observed young Kevin, who plays off nine, but whom I managed to find the golfing skills to beat in a head-to-head match over Stinchcombe Hill in the spring. Kevin has been a serious amateur cyclist too, so, with a second one for the lady shepherdess, they have proved a great success.

We have used them every day this week — up to Tregory yesterday and along to St Anthony's Head this morning. We rode them in County Cork last month and the gearing is so flexible that this area — which in earlier life and with higher geared roadbikes, I used to find too demanding — is now a much more pleasurable context.

The ride along to St Anthony's Head is a mix of lanes, the coast path, and a stretch across bulb fields. Massive heads of hydrangea and scarlet fuschia bushes overflowed from cottage gardens. Above Porth Beach a bush was mass of butterfly wings; red admirals in such number that the food source — from an ivy — must have been very attractive. Earlier in the year, at nesting time, the bird hide had given views of the peregrine falcons across the gorge, together with many other nesting species using the safety of cliff ledges. In a stiff southerly breeze this morning no birds were aloft and nests had been long abandoned. With high tide at the end of the day a swim was not an option. We rode back dodging intermittent showers.

COLIN LUCKHURST

Sabiha Al-Dabbagh

A voice for women's health

SABIHA Al-Dabbagh, who has died in a Liverpool nursing home aged 76, was one of the first female doctors in Iraq and a campaigner for women's health in the Middle East. The daughter of Abdul-Razzaq, the former military administrator of the Ottoman province of Baghdad, she became one of the earliest women to graduate in medicine from the University of Baghdad — after a struggle to get accepted on the course.

Al-Dabbagh was denied a scholarship, which she had earned on the merit of her examination results. Suspecting that this was because of her gender, she mobilised the support of two uncles, both prominent Baghdadi physicians, to secure the post.

Following graduation in 1947, she was accepted on a training programme at St Francis Hospital, Pittsburgh. She returned to Baghdad six years later to care for her father, whose health was deteriorating. Following his death, she ran a successful practice in Baghdad for 10 years; her clinic was, predictably, inundated by female patients.

In 1963, at a time of political upheaval in Iraq, her clinic on Al-Rasheed Street was extensively damaged in a gun battle and her brother-in-law, an army lieutenant, was badly injured. As a result, Al-Dabbagh, by now married to Professor Safa Khulusi and pregnant with her second child, gave up the premises and became a lecturer at the University of Baghdad.

In 1973 she moved with her family to England. For the following 20 years, from her home in Oxford, she wrote prolifically on medical issues in the popular Arabic press, particularly on aspects of women's health. She was not afraid to counter long-held, traditional misconceptions and backward practices, and regularly condemned the lack of family planning in economically deprived areas of the Middle East.

In the 1980s, Sabiha Al-Dabbagh became a regular contributor to health programmes on the Arabic Section of the BBC World Service. Her mail bag was constantly full of questions on health, nutrition and hygiene from around the Arabic-speaking world — a mark of the respect she received for her down-to-earth, compassionate advice.

The last three years of Al-Dabbagh's life were marked by progressive dementia. With her memory failing, she was asked whether she missed the friends and colleagues that she had trained and worked with. "Yes," she replied, "but most of all I miss myself." Her husband died in 1995; she is survived by their son and daughter.



Al-Dabbagh . . . down-to-earth, compassionate advice

Sam Khulusi

Sabiha Al-Dabbagh, doctor, born June 6, 1922; died August 16, 1998

CORRECTIONS AND CLARIFICATIONS

AN ARTICLE, headed, Out in the cold, page 8, Society, September 9, said: "From this month, schools will be able to exclude children for nine weeks per term instead of three," giving the impression that the provision for exclusion had been tripled. This is incorrect. The sentence should have read: "... nine weeks per year instead of three weeks per term". The maximum provision per year remains nine weeks. The change means that the nine weeks can now be applied in one term where it is thought necessary.

ON PAGE 8, Jobs & Money, September 5, we said: "In time, you will be able to buy both gas and electricity from the same supplier, but there will be little financial incentive to do so, as discounts for 'dual fuel' sales are not permitted." That's not true. At present, for example, Scottish Power knocks £10.50 off the electricity bill of a customer who also buys gas from it. It is something the regulator is watching.

IN NOTEBOOK, Page 17, September 9, we gave the impression that Lord Blyth of Rowington was the chief executive of Boots. He became the chairman of the Boots Company on July 23 this year.

IN EARLY editions, August 29, we misspelt Llanwrtyd Wells in a caption on Page 1. We corrected this for later editions, but not before a number of complaints had been made by Welsh readers (who get the early editions). One of them, rather bitterly, suggested: "Llanwrtyd Wells is Welsh, so I dare say it doesn't count." That is not fair. Readers of this column know that we misspell placenames with a total lack of discrimination.

THE VILLAGE on the A59 referred to in the food and drink article, page 60, Guardian Weekend, September 5, is Osbaldeston, not Osbalston.

It is the policy of the Guardian to correct errors as soon as possible. Please quote date and page number. Readers may contact the office of the Readers' Editor by telephoning 0171 239 9589 between 11am and 5pm, Monday to Friday. Surface mail to Readers' Editor, The Guardian, 119, Farringdon Road, London EC1R 3ER. Fax: 0171 239 9697. E-mail: reader@guardian.co.uk

Birthdays

Franz Beckenbauer, soccer manager, 53; **Dame Margaret Booth**, monitor of the Children Act, 65; **Paul Cole**, racehorse trainer, 57; **Brian De Palma**, film director, 54; **E A J (Eddie) George**, governor, Bank of England, 60; **David Gordon**, secretary, Royal Academy of Arts, 57; **Ian Hamer**, jazz trumpeter, composer and arranger, 66; **Judith Howarth**, soprano, 36; **Michael Lambert**, racehorse trainer, 54; **Richard Linley**, inspector of Race Courses, 44; **Herbert Lom**, actor, 81; **Lord (Patrick) Mayhew**, QC, former Secretary of State for Northern Ireland, 69; **Prof Martin Robertson**, classical archaeologist, 87; **Andrew Rowe**, Conservative MP, 63; **Barry Sheene**, racing motor cyclist, 48; **Roger Uttley**, rugby football manager, 49.

Death Notices

DOUGLAS. Carolyn, died on 3rd September, 1998, after a brief illness, near her home in Normandy. A private family funeral will be held on 11th September at Kensal Green Cemetary at 3.00pm. A celebration of Carolyn's life will take place at the Tabernacle, Powis Square, W11. Donations may be made to "The Carolyn Douglas Romanis Fund."

DUCKWORTH. Peter Stuart, once of Formby, graduate of Newcastle University, beloved son of Cynthia and Bill, husband of Jero, and brother of Andrew, died in Spain, aged 38, on 10th September after a brave battle against cancer. He will be buried in Spain on 11th September. He was much loved and will be sorely missed. Enquiries, telephone 01257 422057.

Births

PALMER. Holly Rose, born Thursday 3rd September at The University Hospital of Wales, Cardiff. A beautiful daughter for Mark and Katie Thirlaway and a lovely sister for Anna.

■ To place your announcement telephone 0171 713 4567 or fax 0171 713 4707 between 9am and 3pm Mon-Fri.

Nigel Slater travelled far and wide gathering exotic ingredients for his free recipe cards.

The Observer

Thai crab cakes and stir fried prawns with lime and garlic are on the menu this Sunday. Exclusively in the Observer.



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en's healt



Electronic banker offers a taste of the future



COOKING the books is one thing, but banking by microwave? In a move which could revolutionise Britain's financial services industry, to say nothing of its culinary skills, NCR has produced a kitchen-top box that will tell you your bank balance while defrosting a pizza, *writes Mark Milner*. You can even apply for a personal loan, check your balance and pay the bills while making supper.

NCR's Financial Services Knowledge Lab reckons that — as people were more likely to try to straighten out their financial affairs in the kitchen than in the living room — its technology is better hooked up to a microwave than to the television. The box of tricks, pictured here with NCR's lead designer Sarah Woods, is based on a conventional microwave. But the door becomes a touch screen and incorporates a voice recognition device so users can shout instructions rather than putting down dishes to use a key pad.

That puts it within reach of those who want to keep their hands free or those with Luddite feelings about the personal computer. The microwave is "a device that most people are familiar and comfortable with", says the lab's director Stephen Emmott.

Though NCR has caught the interest of a number of banks, including Barclays, its microwave bank is some way from the market. It has yet to sign up a manufacturer to produce its bank in a box. Best estimates are that consumers will have to wait about a year before being able to buy a machine that will allow them to switch money between accounts while drawing up their favourite menus.

One service that it will not provide is cash dispensing. No doubt NCR is working on a pop-up toaster for that.

PHOTOGRAPH: TONY LARKIN

Marstons to sell pubs chain

Roger Cowe

MARSTONS, the Burton upon Trent brewery famous for its Pedigree beer, yesterday revealed that it plans to sell the bulk of its pub chain. It is talking to the Japanese bank Nomura, which owns a tenth of Britain's pubs.

The aim is for Nomura to create a new company which will own Marston's 640 tenanted outlets and be financed by bonds sold on a "securitised" basis, backed by the steady income from the pubs.

Nomura has pioneered securitisation (packaging the ownership of difficult-to-trade assets into forms of securities which can be easily bought and sold) in Britain, using the technique to finance the acquisition of Inntrepreneur and Spring Inns to create the Grand Pub chain. It also owns William Hill betting shops, a collection of 57,000 homes bought from the Ministry of Defence and the Radio Rentals high street chain.

It was rumoured this week to be interested in Celtic, the Scottish football club whose ownership is up for grabs.

These businesses all have steady cash flows, which allow bonds to be sold, giving rights to the income streams. They have made Nomura the country's largest pub landlord and largest domestic landlord. But if the deal with Marstons goes ahead, Nomura will act only as an agent in setting up the securitisation. It will not own the pubs.

Securitisation has been taken up by other banks. In December, Punch Taverns, backed by the private equity arm of banking group Bankers Trust and Morgan Stanley, acquired 1,428 pubs from the national brewer Bass. The company subsequently issued a £535 million securities deal.

Earlier this year, Wellington Pub Co — consisting of 845 pubs bought last year from Phoenix Inns — issued a £231 million securitisation.

Marstons' decision follows a management shake-up over the past year which has seen the departure of two directors and the elevation of Nick Letchet to the post of chief executive.

Michael Hurdle, Marston's long-serving chairman, moved to a non-executive capacity last month.

Mr Letchet joined the company last year from Bass, the brewing and hotels group.

His strategy, like that of Bass and most other brewers, is to concentrate on the 280 pubs the companies owns and manages to develop branded chains.

Mr Letchet recently said: "We believe that investing in branded retail expansion is the right thing to do." This would allow the company to develop "customer-focused, market-leading propositions".

Marstons last year acquired the Pitcher and Piano chain, which now has 20 outlets and represents the type of branded leisure retailing which Mr Letchet favours.

But he also warned that it would take some time to build a branded business in place of the traditional brewing-dominated pub empire. "Successful brands are not made overnight and repositioning Marston's in this way is going to require a sensible timescale."

The sale of its tenanted estate is expected to raise about £100 million. Some of this cash could be repaid to shareholders but Marstons is also thought eager to boost its remaining business by acquiring other pub chains.

Microsoft seeks proof that competitors carved up market

Mark Tran in Washington

MICROSOFT has served subpoenas against competitors it accuses of ganging up on the software group in a move that could delay its landmark antitrust trial.

Microsoft is seeking evidence that Netscape Communications and what the company called a "gang of four" aligned with it — Sun Microsystems, Novell, Oracle and IBM — tried to divide the market among themselves for Unix software, an operating system that competes with Microsoft's industrial Windows NT.

"We plan to show that the government's allegations [against Microsoft] represent an unfair double standard," it said. "Our competitors are doing everything the government accuses Microsoft of doing and then some."

The subpoenas, sent to the five companies late last week, are a broad request for details of virtually all meetings between the firms since 1994, especially about Unix. They also seek data on "any potential acquisition by Oracle or Novell of Lotus Development Corporation" or any of its assets. Lotus was acquired by IBM three years ago.

The government's case against Microsoft is scheduled to start on September 23 and the pace of pre-trial manoeuvring is picking up. In another development, five current and former employees of Digital Equipment said their company was forced to drop a planned Internet product last year because of threats from Microsoft chairman Bill Gates. The allegations would provide further ammunition for the government's claim that Microsoft has tried to intimidate rivals.

The Digital employees said the company disbanded a product development group after Mr Gates told Robert Palmer, Digital's then chief executive, that a product it was developing with Oracle would undercut an earlier deal for Microsoft to develop a version of Windows NT for Digital's new processor. Microsoft denied applying improper pressure, saying its relationship with Digital was a "model partnership".

This week, Microsoft filed a 48-page legal brief arguing that the antitrust lawsuit, in which the Justice Department and 20 states allege it illegally used its operating software monopoly to win market share, was fatally flawed and should be summarily dismissed.

Mirror profits disappoint

Chris Barrie, Media Business Correspondent

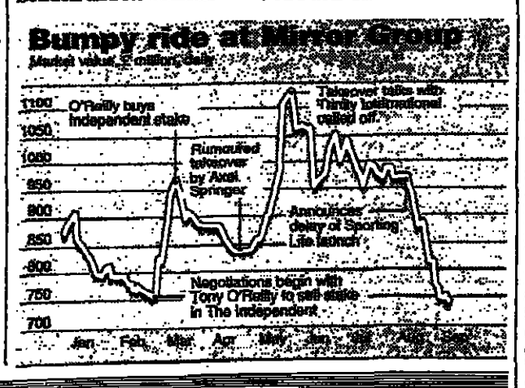
SHARES in the Mirror Group fell to a new low for the year yesterday after the newspaper and television group reported lacklustre half-year profits and indicated that economic uncertainty lay ahead.

Despite announcing a television deal with a Scottish football club and the successful integration of Midland Independent Newspapers, Mirror Group saw its shares close at 153.5p, down more than 5 per cent on the day and well below the 250p peak earlier in the year when German group Axel Springer was touted as a possible suitor.

Profits fell from £44 million to £38 million on £355 million turnover. Stripping out exceptional losses of £9 million on disposal of the Independent titles and £2 million on closure of the original Sporting Life, profits rose 11 per cent to £49 million.

Mirror is to set up a programming joint venture with the Scottish football club, Heart of Midlothian, to run on its local TV station, Edinburgh Live. The group wants to set up similar ventures with clubs close to its other city TV stations in Birmingham, Manchester, Liverpool, London and Newcastle.

Chief executive David Montgomery said the Mirror had no intention of buying a football club in the near term or of complaining to the Office of Fair Trading about Rupert Murdoch's intention to buy Manchester United. However, the company would want assurances that its operations continued to have access to Manchester United's activities.



Shares crash with rocket

Julia Finch

THE race to dominate space-age communications came to a temporary but abrupt halt yesterday after a Russian rocket crash. The incident wiped out 12 space-bound satellites destined to be part of a new 56-satellite chain that will provide truly mobile phones and pagers that will work anywhere in the world.

The Zenit rocket, launched at the Baikonur space centre in Kazakhstan on Wednesday morning, was the first of six planned launches by California-based Globalstar.

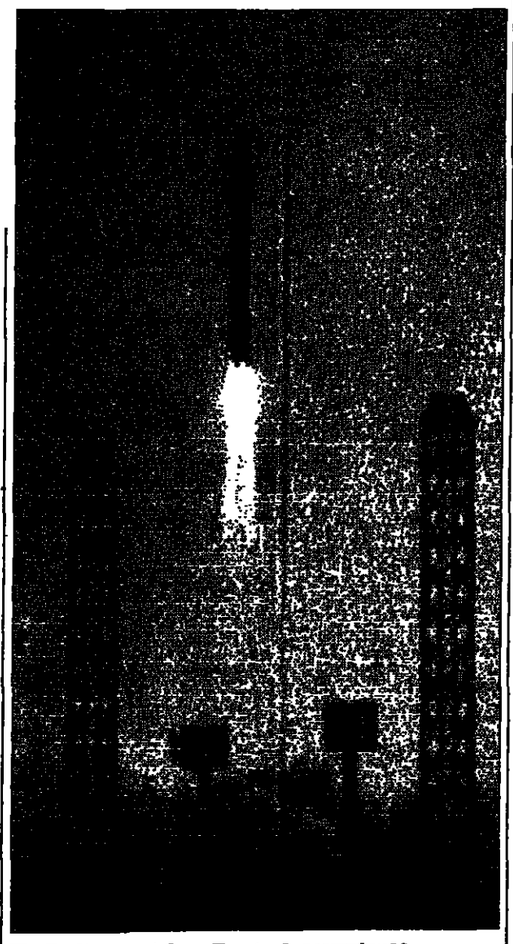
The US consortium, in which Britain's Vodafone is a 3 per cent partner, plans to create a $2.7 billion (£1.6 billion) global cellphone system to rival another being set up by the Iridium network, led by Motorola, which includes the UK Orange phone group. Both are low-orbit satellite systems.

The Globalstar system, due to make its debut next year, will now be delayed by some months.

News of the rocket crash sent the consortium's Wall Street stock into a nosedive. Globalstar's bonds tumbled 20 per cent and its shares fell more than 35 per cent.

Iridium, costing $5 billion to set up, successfully put the last five of its 79 satellites into orbit on Tuesday but is now facing delays after running into technical problems.

When the systems get underway, satellite phone users will be able to make calls and send and receive faxes and data anywhere on earth. The handsets will cost up to $1,000 each.



The Zenit rocket takes off yesterday carrying 12 communications satellites. Minutes later it crashed

Engineer in power play for TLG

Lisa Buckingham

AN AGREED £321 million takeover bid for TLG, the lighting group, from America's Cooper Industries was thrown into doubt last night when the British engineering concern Wassall threw its £351 million offer on the table.

The scrap over the former Thorn Lighting Group — whose products floodlit a number of games during the recent World Cup tournament — is one of only a handful of contested bids seen by the stock market in recent months.

Wassall said it had increased its shareholding in TLG from about 14 per cent when Cooper launched its offer last week to nearly 24 per cent yesterday.

The company said TLG's directors, led by chairman Hamish Bryce, should reject Cooper and accept Wassall's proposal of 175p a share.

Shares in TLG — which was spun out of the Thorn EMI group in 1993 and floated on the stock market for £204 million at the start of 1994 — rose to 177.5p, suggesting the market expects Cooper to return with a counter-offer.

Cooper tabled a bid of 160p a share after weeks of secret talks, saying the acquisition would transform it into one of the world's leading lighting companies. TLG had sales of nearly £393 million and profits of £22 million in its latest financial year and has suffered from the strong pound.

TLG shares stood at 110p just before directors announced the possibility of a takeover bid at the end of July. That was 5p below their flotation price.

News in brief

NHS Viagra bill 'halved'

VIAGRA tablets prescribed for impotent men by National Health Service doctors will cost the state less than £5 each, half the previously estimated price.

Manufacturer Pfizer's UK chief, Ken Moran, that claimed the annual NHS bill for Viagra would be between £50 million and £100 million.

UK drugs regulators are expected to approve Viagra next week.

BTR to close more plants

BTR said yesterday it would have to close more factories in Europe and America and move to low-cost locations such as India and China.

It reported a pre-tax loss of £45 million, with sales down 4 per cent. Even the engineering group, which will be the future focus of the former conglomerate, saw profits fall from £349 million to £337 million.

BG to sell off storage

BG yesterday said it has reached agreement with the gas industry regulator Ofgas over the arrangements for the deregulation of the gas storage services market.

Under the settlement all its storage services are being auctioned off to meet the direct needs of storage users and to create a competitive secondary market in storage services.

Courtaulds feels pinch

COURTAULDS Textiles has warned investors that dismal retail conditions will mean static profits this year.

Chief executive Colin Dyer reported an impressive first six months, with profits up 17 per cent to £12.2 million, but said poor UK trading since July was likely to leave the group with annual profits no better than last year's £40 million.

UB shake-up paying off

UNITED Biscuits began to show the benefits of last year's reorganisation in its results for the six months to July 18. The group's core business, biscuits and snacks, reported better-than-expected first-half results. Profits rose £13.7 million to £44.8 million, largely due to heavy investment in the core business.

Centrica profits up

SHARES in the gas distributor Centrica, which broke away from British Gas last year, surged by almost 11 per cent after reporting net profit, excluding exceptional items, of £86 million pounds in the six months to June 30, up from £36 million last year.

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Belgium 57.19	Hong Kong 12.60	Netherlands 3.1179	Spain 234.13
Canada 2.467	India 70.75	New Zealand 3.20	Sweden 12.92
Cyprus 2.4673	Ireland 1.0984	Norway 12.51	Switzerland 2.288
Denmark 10.82	Israel 6.386	Portugal 281.48	Turkey 442,460
Finland 8.51	Italy 2.750	Saudi Arabia 6.16	USA 1.6282
France 9.2684			

Supplied by NatWest (excluding rupee, shekel and rouble)

Nomura to broker a Pedigree deal, page 15

Tomorrow: Old City hand on NatWest tiller

Financial Editor: Alex Brummer
Telephone: 0171-239-9610
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Finance **Guardian**

Outcry as monetary policy committee holds fast on interest rates

Bank defies public clamour

Larry Elliott
Economics Editor

HOMEOWNERS and businesses were yesterday given hope that interest rates could come down this autumn when the Bank of England admitted that the unfolding global financial crisis might push inflation below the Government's 2.5 per cent target.

To the almost universal condemnation of industry, trade unions and the City, the Bank's monetary policy committee yesterday left rates on hold at 7.5 per cent. However, it dropped a clear hint that they had now peaked following the six increases in the cost of borrowing since the election.

In a statement, the Bank said that the nine-strong committee had "discussed extensively the potential impact of recent international and domestic economic developments on the outlook for UK activity and inflation.

"Although the committee judges that the current level of interest rates is necessary to meet the inflation target, it recognises that deterioration in the international economy could increase the risks of inflation falling below the target. The committee will continue to monitor these risks."

Analysts said that the MPC was adopting a less hawkish stance towards rates. Lehman Brothers economist Mike Dicks said the statement had to be interpreted as a sign that the MPC had shifted from a bias towards tightening to one towards easing policy, adding that it was now "a very close call" whether rates would be cut next month.

However, in the wake of recent job losses and evidence of a slowdown in services as well as manufacturing, the Bank was strongly criticised yesterday for its failure to ease monetary policy immediately.

Dr Ian Peters, deputy director general of the British Chambers of Commerce, said the MPC's make-up should be broadened and its terms of reference widened beyond mere control of inflation, adding: "Its decision will bitterly disappoint business, which had hoped for a rate cut to ensure the pound's downward trend is sustained.

"Our concern is that business will have to continue to endure the slow torture caused by the combination of high interest rates, a strong pound and economic turmoil abroad."

Tim Melville-Ross, director general of the Institute of Directors, said: "I am very disappointed that the Bank has not reduced interest rates by at least 0.25 per cent if not 0.5 per cent."

Kate Barker, chief economist with the Confederation of British Industry, said: "A rate cut is urgently needed in view of the depressed outlook for the UK economy over the next 18 months — the international uncertainties should not have been a reason to hesitate.

"Many exporters are now set to revise down their investment and employment plans for next year, with sterling judged to be significantly over-valued against EU currencies even after its recent decline."

TUC general secretary John Monks said the decision was "deeply disappointing", adding: "While the Bank is right to be vigilant about inflation, there must be a better way of bearing down on inflation than policies which inevitably hit jobs."

Ken Jackson, general secretary of the Amalgamated Engineering and Electrical Union described the decision not to cut interest rates as "industrial vandalism".

He accused the MPC of "ignoring" manufacturing industry and warned that 250,000 jobs were now under threat.

Shadow Chief Secretary to the Treasury David Heathcoat-Amory said the Bank had been put in an impossible position by the Chancellor, Gordon Brown.

"His mistakes on tax, savings, spending and the labour market mean interest rates are staying higher for longer than they need have done," Mr Heathcoat-Amory said.

Notebook

Change of focus needed on rates



Alex Brummer

IF THE Bank of England expected plaudits for its decision to hold its repo lending rate at 7.5 per cent for a further month it deserves to be disappointed. Signalling rates may have peaked by pointing out that there is a risk that inflation could fall below target is one thing, actually making an adjustment and cutting rates is another.

Everyone respects the Bank of England's right, under present monetary arrangements, not to be swayed by outside pressure.

The Bank has also recognised, for the first time, that a no-change decision is as important a signal to the markets and the country as a whole as moving rates. So it accompanied its statement with some context. Deconstruction of the MPCs statement suggests the government has created an overly focused body with a tendency to underestimate its global clout.

Most central banks discussing recent international and domestic developments will have done so in the context of financial stability — not simply UK activity and inflation as the MPC states. Moreover, the Bank surrounds its decision in a convoluted argument about the deterioration in the international economy causing it to put rates on hold because inflation is likely to be less of a problem.

It is curious, however, that a central bank with such a strong international tradition no longer finds itself able to express itself openly on global economic conditions and acknowledges that they *must* affect interest rate judgments. If the UK is important enough to be given special status at the European Central Bank, then perhaps it should consider whether it has transnational responsibilities.

A combination of factors has put the UK upswing at risk. The prolonged period of rising interest rates; the associated upsurge in the pound (now easing down) which murdered the manufacturing sector; and the tight fiscal settlement which will not be loosened until the spring of 1999. But perhaps most important of all has been the worsening of economic conditions. As the Far Eastern situation deteriorated last year the Bank took note of its impact on the world economy and the UK and concluded it would be immaterial as far as UK monetary conditions are concerned. That may well have been correct at the time, but it has not been a static situation. The collapse of the rouble and Russian debt moratorium simply crystallised a crisis which had rolled around the world and which will give rise to a sharp downward revision in global growth when the IMF's new World Economic Outlook forecast is published this month. Given the dimensions of the international uncertainty, delay in cutting rates is hazardous: the Bank should not have held off.

Markets hit by American anxieties

Mark Milner
and Larry Elliott

GLOBAL markets were thrown back into turmoil yesterday as fears of a Latin American collapse and worries about the future of the Clinton presidency sent share prices and the dollar into a tail-spin.

Equities tumbled around the world, with London seeing £30 billion wiped off the stock market, and Wall Street slumping more than 300 points by lunchtime.

"These days it's so volatile, it can fall a hundred points in minutes," one dealer said. "People are so jittery anything can send them running. Wall Street is scared that Bill's problems are only beginning. The market really needs some confidence back."

On the foreign exchanges the pound and the dollar were under heavy fire. Sterling fell to a 10-month low against the German mark while the threat of impeachment hanging over the White House resulted in a flight out of the US currency. In New York, trading on the greenback was sharply lower against both the mark and the Japanese yen. Last month the dollar was trading above DM1.80 and close to 150 yen. Last night it was just over DM1.68 and below yen 134.

Although the political impact on the dollar may ease, dealers expect it to remain under pressure because of events in Latin America.

"Normally these political factors are fairly short-lived, the market should have priced in a lot of this by now," said Klaus Kusber, currency analyst at Dresdner Kleinwort Benson in Frankfurt.

"What's more important is the Asia crisis spreading to Latin America, which will hit the US economy sharply by the end of this year and raise the chance of a US rate cut."

Russia's stock market bucked the downward trend following the nomination of Yevgeny Primakov, a former spy and foreign minister, as prime minister. There was relief that the tug-of-war over the choice of premier was likely to be resolved, putting off the prospect of a further spell of uncertainty while fresh parliamentary elections were held.

But the focus of concern had already shifted to the massive capital exodus from Brazil which could force a devaluation, and to the food riots — triggered by the soaring price of rice — in Indonesia, which sparked fears that the country would default on its debt.

Mounting international concern about the deteriorating economic and social conditions in Indonesia has prompted the International Monetary Fund to make rice a key part of its rescue programme. The IMF fears that, unless the situation stabilises, Indonesia may follow Malaysia by imposing capital controls.

The Brazilian stock market fell 14.3 per cent as credit agencies signalled they were considering downgrading the country's debt status. The market has lost half its value since the beginning of the year and some $16 billion (£10 billion) of capital has flooded out of the country in recent weeks.

Mexico was hit, too, with the stock market off 7 per cent.

Investors are worried that, if Latin America's biggest economy becomes another victim of global financial contagion, the rest of the region and the US will be dragged down with it.

"Brazil is getting close to giving up the fight," said Graham Turner, economist with Tokai Europe. "If Brazil goes there are big problems for those countries in Latin America with currency pegs."

After a wobbly start in the Far East — despite a Japanese rate cut — Europe's stock markets all fell heavily. London slumped by 174.7 points to 5136.6, its second-lowest close of the year. Frankfurt fell 4.32 per cent, Paris 4.59 per cent and Madrid, heavily influenced by Latin America, 7 per cent.

Sentiment was hit by warnings from more banks about the scale of losses in emerging markets, especially in Russia, and a downgrading of expectations about the profits performance of corporate America. Earnings optimism was central to Wall Street's long bull run.

Sterling was partly dragged down by the sell-off of the dollar, but signs of domestic economic weakness in Britain were also behind a 2.3 pfennig fall to DM2.8425. The Bank of England's signal that interest rates have peaked did nothing to support the pound.

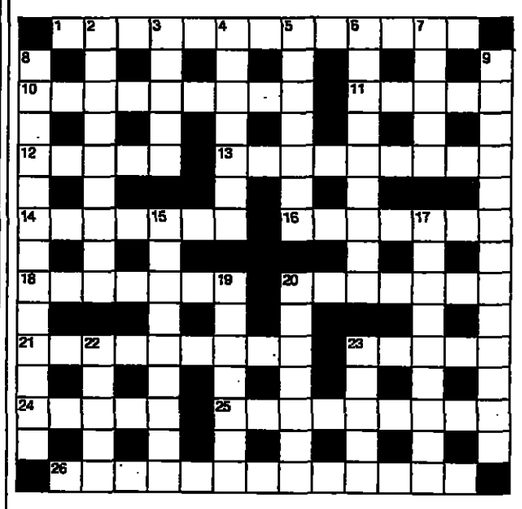




Bear garden . . . Wall Street traders go into sell mode PHOTOGRAPH: JEFF CHRISTENSEN

Guardian Crossword No 21,377

Set by Taupi



Across

1 Worth blaming about book able to grip superficially (13)
10 Outflow from medium city beat US city's by a mile (9)
11 Better not in celebration (5)
12 Overseas race? (5)
13 Dance about on search for mazy arrangement (9)
14 List without duck and fowl (7)
16 Illustration's no longer large enough (7)
18 Bum many in institute (7)
20 Garment made by exploited worker? (7)
21 Temporary bans back intention to muffle speaker (9)
23 Canton citizen with Rolls makes cakes (5)
24 Lump check bouncing (5)
25 Pure evil's disgustingly abhorrent (9)
27 Totter one who likes a fight? (5,8)

Down

2 Crib during course taken by beefeater perhaps? (9)
3 Fleet's power in attack (5)
4 Plant coming from person to person (7)
5 Candidate has no explosive energy (7)
6 From whence dreams come and give Tory a nightmare (5,4)
7 Born out of tight game (5)
8 Old fighter used spoilers with kid-glove (13)
9 As Judas did with a kiss, or two? (6-7)
15 Show pastry up when going round to eatery (9)
17 Aristocrat is almost an Irishman and Scot (9)
19 Vibrator heard rumbling inside? (7)
20 Mark for each run (7)
22 Girl put out about old instrument (5)
23 Quiet about trade steadily rising for spirit (5)

CROSSWORD SOLUTION 21,376

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ABFPRST

Britain's retailers feel pinch as shoppers stay away

Larry Elliott
Economics Editor

BRITAIN'S retailers are at their gloomiest since the deep recession of the early 1990s after poor weather and high interest rates kept consumers out of shops last month.

Data from the Confederation of British Industry showed retail sales down on August 1997 — the first annual decline in three years.

With retailers forced to cut prices in an attempt to attract cautious shoppers, sentiment has deteriorated appreciably since the start of the year.

The CBI says consumers are concentrating their spending on small luxuries but are reluctant to commit themselves to big-ticket items such as carpets and furniture.

Eighty-nine per cent of stores selling household textiles, furniture and carpets said that business was lower last month than a year earlier, when consumers were flush with the proceeds from building society flotations. Eleven per cent said activity was unchanged.

Overall, only 32 per cent of retailers said that their sales volumes were higher in August than they were a year earlier, while 34 per cent saw a drop in business.

"I don't think we are close to an outright recession. We are looking at the possibility of a very flat picture continuing while the uncertainties about interest rates remain," said Alastair Eperon, chairman of the CBI's distributive trades panel.

"It is clear that consumers are taking a very cautious view of things."

The CBI said traders were expecting annual sales volumes to rise in September, but that the comparison was distorted by the death of Princess Diana, which led to a marked drop in consumer spending in September 1997.

Sentiment among retailers has worsened appreciably over the past six months. Only 15 per cent expected the business situation to improve during the autumn and winter while 20 per cent feared business would get worse. The CBI said this was the gloomiest finding since the immediate aftermath of the pound's exit from the European exchange rate mechanism in September 1992.

"This survey dramatically shows retail sales growth stagnating," said Simon Briscoe of Nikko. "The time for excuses has not passed. The weather and the World Cup probably depressed demand in the summer but excuses cannot be made for the clearly emerging trend.

"Demand is simply not as strong as retailers think — and it is weakening in the face of tax increases, mortgage rates rises, the threat of global financial crisis and well publicised job losses."